

Excerpts from the Deposition of Mark Russell (December 17, 2015)	63
Excerpts from the Deposition of Pamela G. Reed (December 3, 2015)	73
Excerpts from the Deposition of Samuel Troice (December 14, 2015)	84
Excerpts from the Deposition of Jorge Salgado (December 4, 2015)	87
Michoacan Trust Agreement (Class Plaintiffs' Production, Bates Nos. P1304-P1306)	90

Dated: February 18, 2016

Respectfully submitted,

CASTILLO SNYDER, P.C.

By: /s/ Edward C. Snyder

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COUNSEL FOR THE PLAINTIFFS

CERTIFICATE OF SERVICE

On February 18, 2016, and February 24, 2016, I hereby certify that I have served all counsel and/or pro se parties of record electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

By: /s/ Joshua E. Abraham
Joshua E. Abraham

over the years. I reviewed said claim determination at the time I received it in 2013 and compared it with my own records and believe that said claim determination is largely accurate.

4. The Grant Thornton claim determination confirms that I made investments in SIBL CDs on multiple dates and in varying amounts after February 2006, including investments of \$350,230.00 in November 2006 and of \$134,130.00 in September 2007. I considered each of these investments to be "new" investments in SIBL CDs, as I could have invested my money elsewhere and each time I put new money into the CDs I made an independent investment decision to do so; I was not obligated to make these investments with SIBL.
5. The Grant Thornton claim determination also confirms that I made investments in SIBL CDs on multiple dates and in varying amounts after February 2008, including an investment of \$110,000 on May 19, 2008. I considered each of these investments to be "new" investments in SIBL CDs, as I could have invested my money elsewhere, and each time I put new money into the CDs I made an independent investment decision to do so; I was not obligated to make these 2008 investments in SIBL.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 15, 2016.



SAMUEL TROICE

BOG94v.1

EXHIBIT “1”

000003



Our Ref CJS/KTM/MW/SIBL

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By Email: frontdesk@caselaw.com

16 April 2013

Dear Sir / Madam:

Stanford International Bank Limited – in Liquidation ("the Company")
Re: Claim submitted under Primary Express Account 185734

Take notice that the claim made by you against the Company has been allowed in the amount of US\$1,610,940.71. Please see attached transaction report showing how your claim was calculated. Please note that the Joint Liquidators reserve the right to withhold distributions and/or modify this claim subject to any preference claims that may be pursued against creditors/victims.

Please note that this claim has been filed by a legal representative on your behalf. If you are dissatisfied with this please notify us in writing at stanford.claims.support@uk.gt.com.

In the event that you are dissatisfied with the amount of your claim that has been allowed, you may apply to the court for the decision to be reversed or varied. The application must be made within 21 days of receiving this notice under Rule 4.83(1) of the 1986 UK Insolvency Rules¹.

All future communication regarding this claim should include the Primary Express Account Number. This will serve as your claim number.

Yours sincerely
For and on behalf of Stanford International Bank Limited


// Marcus Wide and Hugh Dickson
Joint Liquidators

1. Further assistance with the formalities of the claims process, including appealing any decision of the Joint Liquidators with regard to your claim can be found in the 1986 UK Insolvency Rules which apply where the Antigua and Barbuda International Business Corporations Act is silent on any aspect of the claims process. Any and all claims filed with Stanford International Bank Limited in Antigua will be governed by the law applicable in and subject to the authority of the Antiguan court overseeing the liquidation. Anyone who files a claim that is disallowed by the Joint Liquidators will be advised of their right of appeal to the Court for a judicial determination of their claim.

000004

Transaction Detail for Primary E/A 185734

Account No: 114555

Date	Deposits	Payments
10-Dec-2003	48,000.00	0.00
14-Jan-2004	0.00	48,000.00
14-Jan-2004	0.00	154.51
Sum	48,000.00	48,154.51
Net In USD		-154.51
		1.0000
Converted to USD		-154.51

Summary for 'Account No' = 114555 (3 transactions)

Account No: 115137

Date	Deposits	Payments
12-Jan-2004	345,823.43	0.00
14-Jan-2004	0.00	345,823.43
14-Jan-2004	0.00	84.40
Sum	345,823.43	345,827.83
Net In USD		-84.40
		1.0000
Converted to USD		-84.40

Summary for 'Account No' = 115137 (3 transactions)

Account No: 115328

Date	Deposits	Payments
14-Jan-2004	391,842.34	0.00
20-Apr-2004	325,689.12	0.00
07-Sep-2004	0.00	19,480.42
07-Sep-2004	0.00	20,539.58
08-Oct-2004	0.00	3,140.48
08-Oct-2004	0.00	22,859.52
28-Oct-2004	8,718.00	0.00
05-Nov-2004	0.00	22,848.58
05-Nov-2004	0.00	3,152.42
15-Nov-2004	24,294.58	0.00
08-Dec-2004	0.00	22,741.23
08-Dec-2004	0.00	3,258.77
28-Dec-2004	17,873.10	0.00
19-Jan-2005	7,588.73	0.00
16-Feb-2005	224,524.01	0.00
27-Apr-2005	42,152.46	0.00
15-Jun-2005	0.00	9,884.23
15-Jun-2005	0.00	10,335.77
28-Jun-2005	0.00	2,452.35
28-Jun-2005	0.00	28,172.85
08-Jul-2005	24,735.81	0.00
19-Jul-2005	18,400.00	0.00
09-Aug-2005	12,380.00	0.00
15-Aug-2005	35,781.45	0.00
24-Aug-2005	7,392.00	0.00

29-Apr-2013

Page 1 of 6

000005

Transaction Detail for Primary E/A 185734

25-Aug-2005	10,000.00	0.00
28-Sep-2005	9,161.00	0.00
04-Oct-2005	11,708.45	0.00
18-Oct-2005	8,216.89	0.00
24-Oct-2005	22,925.78	0.00
25-Nov-2005	0.00	32,451.67
25-Nov-2005	0.00	47,548.33
30-Dec-2005	0.00	7,580.30
30-Dec-2005	0.00	2,419.70
23-Jan-2006	5,229.47	0.00
13-Feb-2006	9,504.00	0.00
20-Feb-2006	12,085.00	0.00
01-Jun-2006	19,670.40	0.00
22-Aug-2006	20,121.00	0.00
24-Aug-2006	8,976.00	0.00
16-Oct-2006	8,851.68	0.00
02-Nov-2006	350,000.00	0.00
02-Nov-2006	0.00	350,000.00
14-Nov-2006	350,230.19	0.00
29-Dec-2006	8,151.68	0.00
09-Jan-2007	9,504.00	0.00
05-Feb-2007	7,407.00	0.00
08-Feb-2007	5,901.12	0.00
05-Mar-2007	70,000.00	0.00
17-Apr-2007	8,151.68	0.00
10-May-2007	50,000.00	0.00
17-May-2007	7,868.16	0.00
29-May-2007	50,000.00	0.00
07-Jun-2007	11,138.30	0.00
25-Jul-2007	7,868.16	0.00
30-Aug-2007	11,592.00	0.00
08-Sep-2007	39,998.57	0.00
12-Sep-2007	9,990.00	0.00
12-Sep-2007	179,999.88	0.00
18-Nov-2007	7,868.16	0.00
30-Nov-2007	0.00	70.00
20-Dec-2007	0.00	1,749.48
20-Dec-2007	9,000.00	0.00
11-Jan-2008	0.00	21,487.96
24-Jan-2008	0.00	6,652.68
25-Jan-2008	0.00	9,000.00
05-Feb-2008	8,000.00	0.00
20-Feb-2008	0.00	3,000.00
22-Feb-2008	0.00	10,202.84
25-Feb-2008	7,868.16	0.00
28-Feb-2008	28,877.52	0.00
07-Mar-2008	8,000.00	0.00
12-Mar-2008	0.00	110,000.00
20-Mar-2008	0.00	3,000.00
25-Mar-2008	6,000.00	0.00
28-Mar-2008	0.00	13,238.72
02-Apr-2008	7,000.00	0.00
15-Apr-2008	0.00	1,840.46
18-Apr-2008	7,000.00	0.00

Transaction Detail for Primary E/A 185734

18-Apr-2008	0.00	3,000.00
30-Apr-2008	0.00	58,590.00
15-May-2008	34,990.00	0.00
15-May-2008	0.00	8,354.39
19-May-2008	110,000.00	0.00
20-May-2008	0.00	3,000.00
10-Jun-2008	0.00	8,781.23
20-Jun-2008	0.00	3,000.00
23-Jun-2008	7,868.16	0.00
10-Jul-2008	0.00	1,822.97
17-Jul-2008	8,000.00	0.00
18-Jul-2008	22,370.51	0.00
21-Jul-2008	0.00	3,000.00
11-Aug-2008	0.00	2,216.09
13-Aug-2008	8,990.00	0.00
20-Aug-2008	4,990.00	0.00
20-Aug-2008	0.00	3,000.00
10-Sep-2008	0.00	15,272.35
22-Sep-2008	0.00	3,000.00
24-Sep-2008	0.00	6,740.09
07-Oct-2008	0.00	5,740.09
10-Oct-2008	0.00	27,036.34
20-Oct-2008	0.00	3,000.00
04-Nov-2008	0.00	11,535.00
10-Nov-2008	0.00	28,244.44
28-Nov-2008	0.00	3,000.00
28-Nov-2008	0.00	11,535.00
05-Dec-2008	0.00	24,259.91
10-Dec-2008	0.00	8,272.99
22-Dec-2008	0.00	3,000.00
05-Jan-2009	0.00	11,535.00
12-Jan-2009	0.00	4,527.13
20-Jan-2009	0.00	3,000.00
02-Feb-2009	0.00	11,635.00
17-Feb-2009	0.00	32,858.25
23-Feb-2009	0.00	298.12

Sum 2,751,420.10 1,099,731.49

Net In USD 1,652,688.81

1.0000

Converted to USD 1,652,688.81

Summary for 'Account No' = 115328 (115 transactions)

Account No: 185734

Date	Deposits	Payments
22-Feb-2008	16,202.84	0.00
22-Feb-2008	0.00	16,202.84
07-May-2008	7,868.16	0.00
02-Jun-2008	0.00	7,868.16

Transaction Detail for Primary E/A 185734

Sum 24,071.00 24,071.00

Net In USD 0.00

1.0000

Converted to USD 0.00

Summary for 'Account No' = 185734 (4 transactions)

Account No: 2119957

Date	Deposits	Payments
30-Apr-2002	124,885.88	0.00
08-May-2002	21,500.00	0.00
22-May-2002	37,700.00	0.00
10-Feb-2003	39,843.04	0.00
28-Aug-2003	108,640.00	0.00
14-Nov-2003	0.00	109.34
14-Nov-2003	0.00	29,890.68
31-Dec-2003	30,000.00	0.00
12-Jan-2004	0.00	344,768.48
12-Jan-2004	0.00	854.95
Sum	362,648.90	375,623.47

Net In USD -13,074.53

1.0000

Converted to USD -13,074.53

Summary for 'Account No' = 2119957 (10 transactions)

Account No: 2519957

Date	Deposits	Payments
30-Apr-2002	528.93	0.00
12-Jul-2002	0.00	528.93
25-Sep-2002	594,522.33	0.00
27-Sep-2002	0.00	594,587.49
29-Jan-2003	210,500.00	0.00
18-Feb-2003	0.00	198.20
18-Feb-2003	0.00	210,730.80
18-Aug-2003	952,652.79	0.00
22-Aug-2003	0.00	10,000.00
22-Aug-2003	0.00	15,000.00
25-Aug-2003	0.00	44,000.00
25-Aug-2003	0.00	38,000.00
25-Aug-2003	0.00	34,000.00
27-Aug-2003	0.00	70,000.00
28-Aug-2003	0.00	108,640.00
28-Aug-2003	0.00	376,000.00
28-Aug-2003	0.00	92,000.00
28-Aug-2003	0.00	11,354.00
01-Sep-2003	0.00	130,000.00
24-Oct-2003	0.00	4,000.00
24-Oct-2003	0.00	3,299.47
24-Oct-2003	0.00	9,000.00
24-Oct-2003	0.00	3,500.00
14-Jan-2004	48,154.51	0.00

29-Apr-2013

Page 4 of 6

000008

Transaction Detail for Primary E/A 185734

14-Jan-2004	0.00	391,842.34
14-Jan-2004	345,887.83	0.00
29-Jan-2004	580,500.00	0.00
05-Feb-2004	0.00	88,418.00
08-Feb-2004	20,000.00	0.00
10-Feb-2004	0.00	24,500.00
10-Feb-2004	0.00	88,418.00
18-Feb-2004	0.00	18,418.00
18-Feb-2004	0.00	88,418.00
18-Feb-2004	0.00	125,000.00
27-Feb-2004	0.00	45,456.00
12-Mar-2004	44,500.00	0.00
18-Mar-2004	154,000.00	0.00
20-Apr-2004	0.00	254.20
20-Apr-2004	0.00	325,889.12
05-Jan-2005	1,980.00	0.00
04-Feb-2005	576,000.00	0.00
11-Feb-2005	0.00	68,000.00
11-Feb-2005	0.00	13,820.00
11-Feb-2005	0.00	88,000.00
11-Feb-2005	0.00	20,000.00
11-Feb-2005	0.00	104,850.00
11-Feb-2005	0.00	43,900.00
14-Feb-2005	0.00	5,000.00
14-Feb-2005	0.00	5,000.00
18-Feb-2005	0.00	224,624.01
02-Nov-2008	350,000.00	0.00
14-Nov-2008	0.00	350,230.19
14-Nov-2008	0.00	230.19
18-May-2007	1,637.88	0.00
07-Jun-2007	0.00	11,138.30
07-Jun-2007	9,500.00	0.00
03-Sep-2007	39,990.00	0.00
08-Sep-2007	0.00	30,998.57
10-Sep-2007	0.00	8.57
11-Sep-2007	45,860.00	0.00
11-Sep-2007	134,130.00	0.00
12-Sep-2007	0.00	9.86
12-Sep-2007	0.00	179,999.86
Sum	4,108,142.25	4,111,045.10

Net In USD -2,902.85

1.8000

Converted to USD -2,902.85

Summary for 'Account No' = 2519957 (63 transactions)

Account No: 3519957

Date	Deposits	Payments
30-Apr-2002	588,187.97	0.00
25-Sep-2002	0.00	594,522.33
27-Sep-2002	594,587.49	0.00
15-Jan-2003	135,000.00	0.00
22-Jan-2003	135,000.00	0.00

Transaction Detail for Primary E/A 185734

03-Feb-2003	100,000 00	0 00
12-Feb-2003	0 00	488,000 00
03-Mar-2003	0 00	507,185 11
12-May-2003	1,195,208 90	0 00
10-Jul-2003	0 00	250,000 00
19-Aug-2003	0 00	952,852 78
19-Aug-2003	0 00	1,173 74
09-Dec-2003	40,000 00	0 00
08-Dec-2003	0 00	48,000 00
Sum	2,783,982.38	2,819,532.97

Net In USD -25,661.81

1.0000

Converted to USD -25,551.81

Summary for 'Account No' = 3519957 (14 transactions)

Summary for Primary EA = 185734 (212 transactions)

Overall Net In USD: 1,610,946.71

3. I am filing this Rebuttal Declaration to rebut certain arguments made by the above listed Defendants related to the timing of some of the Trusts' investments in CDs issued by Stanford International Bank, Ltd. ("SIBL CDs"). I have personal knowledge of each of the facts stated in this Declaration, and they are true and correct. If called as a witness, I could and would testify as to the matters set forth below based upon my personal knowledge.
4. I attach hereto as Exhibit "1" a true and correct copy of the March 27, 2013 determination of the Trust's SIBL CD claim by the Antiguan Joint Liquidators at Grant Thornton. Said claim determination sets forth the dates and dollar amounts of CD deposits the Trust made with SIBL over the years. I reviewed said claim determination at the time I received it in 2013 and compared it with my own records and believe that said claim determination is largely accurate.
5. The Grant Thornton claim determination confirms that the Trust made investments in SIBL CDs on multiple dates and in varying amounts after February 2006, including the purchase of a CD in the amount of \$96,973.46 on April 7, 2006, and the purchases of 2 CDs in 2008: one for \$40,279.49 on February 5, 2008 and another one for \$11,425.06 on April 10, 2008. I attach hereto as Exhibit "2" true and correct copies of the CD certificates I received from SIBL confirming CD purchases after February 2006.
6. I considered each of these investments to be "new" investments in SIBL CDs, as I, on behalf of the Trust, could have invested money elsewhere and each time I, through the Trust, put new money into the CDs I made an independent investment decision to do so; neither I nor the Trust were obligated to make these investments with SIBL.



I declare under penalty of perjury that the foregoing is true and correct.

MICHOACAN TRUST


JORGE SALGADO AGUILAR

EXHIBIT “1”



Our Ref CJS/KTAI/MW/SIBL

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By Email: frontdesk@casnlaw.com

27 March 2013

Dear Sir / Madam:

Stanford International Bank Limited - In Liquidation ("the Company")
Re: Claim submitted under Primary Express Account 186023

Take notice that the claim made by you against the Company has been allowed in the amount of US\$ 179,286.12. Please see attached transaction report showing how your claim was calculated. Please note that the Joint Liquidators reserve the right to withhold distributions and/or modify this claim subject to any preference claims that may be pursued against creditors/victims.

Please note that this claim has been filed by a legal representative on your behalf. If you are dissatisfied with this please notify us in writing at stanford.claims.support@uk.gt.com.

In the event that you are dissatisfied with the amount of your claim that has been allowed, you may apply to the court for the decision to be reversed or varied. The application must be made within 21 days of receiving this notice under Rule 4.83(1) of the 1986 UK Insolvency Rules¹.

All future communication regarding this claim should include the Primary Express Account Number. This will serve as your claim number.

Yours sincerely

For and on behalf of Stanford International Bank Limited


Marcus Wide and Hugh Dickson
Joint Liquidators

1. Further assistance with the formalities of the claims process, including appealing any decision of the Joint Liquidators with regard to your claim can be found in the 1986 UK Insolvency Rules which apply where the Antigua and Barbuda International Business Corporations Act is silent on any aspect of the claims process. Any and all claims filed with Stanford International Bank Limited in Antigua will be governed by the law applicable in and subject to the authority of the Antiguan court overseeing the liquidation. Anyone who files a claim that is disallowed by the Joint Liquidators will be advised of their right of appeal to the Court for a judicial determination of their claim.

Transaction Detail for Primary E/A 186023

Account No: 118009

Date	Deposits	Payments
07-Apr-2004	10,000.41	0.00
24-May-2004	10,000.00	0.00
10-Jun-2004	10,002.48	0.00
12-Jul-2004	10,001.23	0.00
11-Aug-2004	9,990.82	0.00
09-Sep-2004	9,990.00	0.00
28-Oct-2004	9,990.41	0.00
13-Dec-2004	9,991.23	0.00
14-Jan-2005	18,285.52	0.00
07-Apr-2008	0.00	91,518.49
07-Apr-2008	0.00	5,454.97
10-Apr-2008	0.00	11,425.08
Sum	98,232.08	108,398.52

Net In USD -10,166.44Converted to USD -10,166.44

Summary for 'Account No' = 118009 (12 transactions)

Account No: 145103

Date	Deposits	Payments
07-Apr-2008	98,973.48	0.00
Sum	98,973.48	0.00

Net In USD 98,973.48Converted to USD 98,973.48

Summary for 'Account No' = 145103 (1 transaction)

Account No: 182923

Date	Deposits	Payments
08-Oct-2008	0.01	0.00
08-Oct-2008	0.00	143,921.13
Sum	0.01	143,921.13

Net In USD -143,921.12Converted to USD -143,921.12

Summary for 'Account No' = 182923 (2 transactions)

Account No: 186023

Date	Deposits	Payments
05-Feb-2008	0.00	40,270.48
10-Apr-2008	11,425.08	0.00
10-Apr-2008	0.00	11,425.08

Transaction Detail for Primary E/A 186023

Sum 11,425.06 51,693.55

Net In USD -40,270.49

Converted to USD 1.0000
-40,270.49

Summary for 'Account No' = 186023 (3 transactions)

Account No: 300236

Date	Deposits	Payments
05-Feb-2008	40,270.49	0.00
Sum	40,270.49	0.00

Net In USD 40,270.49

Converted to USD 1.0000
40,270.49

Summary for 'Account No' = 300236 (1 transaction)

Account No: 304780

Date	Deposits	Payments
18-Apr-2008	11,425.06	0.00
Sum	11,425.06	0.00

Net In USD 11,425.06

Converted to USD 1.0000
11,425.06

Summary for 'Account No' = 304780 (1 transaction)

Account No: 2220478

Date	Deposits	Payments
30-Apr-2002	116,032.97	0.00
04-Oct-2007	0.00	11,587.75
04-Oct-2007	0.00	28,432.25
Sum	116,032.97	40,000.00

Net In USD 76,032.97

Converted to USD 1.0000
76,032.97

Summary for 'Account No' = 2220478 (3 transactions)

Account No: 2520478

Date	Deposits	Payments
00-Apr-2004	10,000.00	0.00
07-Apr-2004	0.00	10,600.41
07-Apr-2004	0.00	0.41
19-May-2004	10,000.00	0.00
24-May-2004	0.00	10,600.00
09-Jun-2004	10,000.00	0.00
10-Jun-2004	0.00	0.41
10-Jun-2004	0.00	10,002.46
12-Jun-2004	0.00	1.23

17-Apr-2013

Page 2 of 3

000017

Transaction Detail for Primary E/A 186023

12-Jun-2004	1.23	0.00
12-Jun-2004	0.00	1.23
09-Jul-2004	10,000.00	0.00
12-Jul-2004	0.00	1.23
12-Jul-2004	0.00	10,001.23
09-Aug-2004	9,990.00	0.00
11-Aug-2004	0.00	0.82
11-Aug-2004	0.00	9,990.82
09-Sep-2004	9,990.00	0.00
09-Sep-2004	0.00	9,990.00
27-Oct-2004	9,990.00	0.00
28-Oct-2004	0.00	0.41
28-Oct-2004	0.00	9,990.41
10-Dec-2004	9,990.00	0.00
13-Dec-2004	0.00	9,991.23
13-Dec-2004	0.00	1.23
13-Jan-2005	18,264.77	0.00
14-Jan-2005	0.00	18,265.52
04-Oct-2007	40,000.00	0.00
Sum	138,228.00	98,279.05

Net In USD 39,988.96

Converted to USD 1.0000
39,988.96

Summary for 'Account No' = 2520478 (28 transactions)

Account No: 12220478

Date	Deposits	Payments
30-Apr-2002	108,955.24	0.00
Sum	108,955.24	0.00

Net In USD 108,955.24

Converted to USD 1.0000
108,955.24

Summary for 'Account No' = 12220478 (1 transaction)

Summary for Primary EA = 186023 (52 transactions)

Overall Net In USD: 179,286.12

EXHIBIT “2”

[illegible]

P1350

000020

[illegible]

P1351

000021

[illegible]

P1344

000024

[illegible]

P1346

000026

CERTIFICATE OF DEPOSIT		STANFORD INTERNATIONAL BANK LTD.	
STANFORD INTERNATIONAL BANK LTD.		No. 117 Madison Drive, P.O. Box 1000, St. John, Antigua, West Indies	
DEPOSIT TO ORDER OF	STANFORD TRUST	DATE	14-MAR-2007
AMOUNT			
CURRENCY			
<p>TERMS</p> <p>1. This Certificate is subject to the terms and conditions of the Certificate of Deposit Agreement between the Bank and the depositor, which is available upon request from the Bank. The depositor agrees to pay the full amount of the deposit, together with any interest, to the Bank on the date of maturity. The depositor also agrees to pay the full amount of the deposit, together with any interest, to the Bank on the date of maturity. The depositor also agrees to pay the full amount of the deposit, together with any interest, to the Bank on the date of maturity.</p> <p>2. This Certificate is subject to the terms and conditions of the Certificate of Deposit Agreement between the Bank and the depositor, which is available upon request from the Bank. The depositor agrees to pay the full amount of the deposit, together with any interest, to the Bank on the date of maturity. The depositor also agrees to pay the full amount of the deposit, together with any interest, to the Bank on the date of maturity. The depositor also agrees to pay the full amount of the deposit, together with any interest, to the Bank on the date of maturity.</p> <p>3. This Certificate is subject to the terms and conditions of the Certificate of Deposit Agreement between the Bank and the depositor, which is available upon request from the Bank. The depositor agrees to pay the full amount of the deposit, together with any interest, to the Bank on the date of maturity. The depositor also agrees to pay the full amount of the deposit, together with any interest, to the Bank on the date of maturity. The depositor also agrees to pay the full amount of the deposit, together with any interest, to the Bank on the date of maturity.</p>			
DATE WILL ACCRUE AT THE BANK RATE	DATE WILL ACCRUE AT THE BANK RATE		
OF THE ANNUAL YIELD WILL BE	OF THE ANNUAL YIELD WILL BE		
0.75 %	0.75 %		
<p>Signature</p> <p>Enclosed to St. John, Antigua, West Indies</p> <p>by AUTHORIZED SIGNATORY</p>			

P1348

000028

[illegible]

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re	§	
	§	Chapter 15
	§	
Stanford International Bank, Ltd.,	§	Case No. 3:09-cv-00721-N
	§	
Debtor in a Foreign Proceeding	§	

JOINT LIQUIDATORS' DIRECT EXAMINATION OF HUGH DICKSON

BACKGROUND

- Q: Please state your full name for the record?**
- A: Hugh Dickson.**
- Q: Who is your current employer?**
- A: Grant Thornton Specialist Services (Cayman) Limited.**
- Q: What is your current business address?**
- A: My office is located at 48 Market Street, George Town, Grand Cayman KY1-9006.**
- Q: I am going to refer to Grant Thornton Specialist Services (Cayman) Limited simply as Grant Thornton Cayman. Is that acceptable to you?**
- A: Yes.**
- Q: Does Grant Thornton Cayman specialize in insolvency matters?**
- A: Yes. Grant Thornton Cayman specializes in handling a wide range of insolvency matters, including, primarily, overseeing the liquidations of solvent and insolvent businesses, implementing insolvency procedures, conducting fraud investigations, and recovering assets for the benefit of creditors and/or victims of financial fraud.**

JOINT LIQUIDATORS' DIRECT EXAMINATION OF HUGH DICKSON

000031

Q: What is your position at Grant Thornton and practice area do you work in?

A: I am a Partner with Grant Thornton UK LLP and the Managing Director of its wholly owned subsidiary Grant Thornton Cayman. I also oversee the operations of Grant Thornton (British Virgin Islands) Limited, another wholly owned subsidiary of Grant Thornton UK LLP. Operationally, the Grant Thornton offices in the Cayman and the British Virgin Islands are currently limited to performing restructuring and insolvency work, with a particular emphasis on offshore banking and financial services.

Q: When did you begin working at Grant Thornton Cayman?

A: I began working at Grant Thornton Cayman in December 2006.

BACKGROUND AND QUALIFICATIONS

Q: Where did you receive your formal education?

A: I received a Joint Masters in Economics and Accounting from the University of Edinburgh in 1985.

Q: Please describe for the Court your employment history prior to joining Grant Thornton?

A: From 1985 to 2001, I worked at Arthur Andersen, starting as a graduate trainee and being promoted to Partner in 1995. While at Arthur Andersen, I worked in various practice groups, including Corporate Recovery, dealing in formal insolvency, and the European Emerging Markets, and Global Emerging Markets. In each instance my work focused on financially distressed organizations, including both formal insolvency proceedings as well as advisory work related to the restructuring of entities and the regulatory and jurisdictional basis governing insolvency. I was a lead member of the team that developed Andersen's in-house manual on the investigation, restructuring and sale of insolvent and distressed companies.

From 1995 onwards, my work was primarily focused on banking intervention and crisis resolution in the financial sector, with a particular emphasis on emerging markets. My work during that period included the establishment of work out departments for state owned banks, advice to national governments and regulatory organizations on banking intervention and insolvency regulation, and the realization of value from intervened banks. I worked closely with the World Bank and International Monetary Fund on a number of major projects in that field. These included:

- a) the design and execution of the Thai government's intervention into 56 of its largest financial institutions covering some \$21 billion of intervened assets, and running the advisory team handling the subsequent operation of its intervention body, the Financial Restructuring Authority;
- b) the development of a work out department for Korea's largest state owned bank who were the lead creditor on two of Korea's 5 largest corporate groups, including Daewoo group who had over \$60 billion in non performing debt; and
- c) running the advisory team supporting the Indonesian government's operation of its banking intervention agency, IBRA, who had intervened into a number of Indonesian banks and taken over responsibility for the realization of value from an estimated \$47 billion in intervened assets.

After my time at Arthur Andersen and before joining Grant Thornton, I worked as a consultant specializing in advisory work to national governments, regulatory bodies and central banks on issues related to insolvency, restructuring and related issues. My clients during that period included the International Monetary Fund and the Turkish, South African and Hong Kong governments, on projects ranging from the intervention into or

restructuring of major Turkish banks through to recommendations for the improvement of operations of the Hong Kong Official Receiver's Office.

Q: How long have you been an insolvency practitioner?

A: I have specialized in insolvency and related work since 1986. I passed the United Kingdom's Joint Insolvency Examination Board examinations in 1994. Passing the exam is a necessary requirement to be certified by one of the regulatory bodies to act as an officer holder on insolvency appointments in the United Kingdom – that is, being appointed as an individual who exercises direct and personal authority under law for the conduct of an insolvent estate, personal or corporate, whether by appointment of the Court or under the terms of a security interest. I formally qualified as an insolvency practitioner in the Cayman Islands when that jurisdiction introduced formal requirements under the Insolvency Practitioner Regulations 2008. My practical experience between 1986 and 1995 was almost exclusively in the conduct of UK insolvency cases. From 1995 to 2006 my work has largely focused on restructuring, advisory work outs and formal insolvency appointments, but also included assignments advising governments and regulatory bodies on the development, revision, implementation, or regulation of insolvency law in a number of jurisdictions, including Hong Kong, Korea, Thailand, Romania and Bulgaria. Since 2006 my work has been almost exclusively associated with formal insolvency appointments, principally to hedge funds, banks and corporate entities incorporated in Caribbean jurisdictions.

Q: Are you a member of any professional organizations?

A: Yes. I am a Member of the Institute of Chartered Accountants of Scotland and of the Cayman Islands Society of Professional Accountants.

Q: What other relevant qualifications or experience do you possess?

A: I currently hold office as a liquidator in a number of insolvency proceedings in the British Virgin Islands, Curacao and the Cayman Islands. My experience within these jurisdictions includes dealing with high value fraud and Ponzi scheme cases. Many of the cases I have worked on are large and complex cross-border insolvencies that involve asset tracing, asset recovery, and litigation in multiple jurisdictions, and consequent issues of cross border recognition. I have direct experience dealing with offshore banking and financial regulatory authorities and as well as onshore law enforcement agencies such as the UK Financial Services Authority, the UK Serious Fraud Office, the Royal Canadian Mounted Police, the German police and the Autorité de Marchés Financiers.

I also have significant experience advising governments on financial sector issues with a focus on intervention and regulation of financial institutions and the consequent inter relationship with insolvency law, practice and regulation. In this regard, I have worked on cases that involve the International Monetary Fund, the World Bank, the European Union, the Thai Financial Sector Restructuring Authority, the Korean Financial Services Commission, the Central Bank of Egypt, the Indonesian Bank Restructuring Authority, the Turkish Banking Regulation and Supervision Agency, the Turkish Deposit Insurance Agency, the Monetary Authority of Hong Kong, and the Hong Kong Official Receiver.

Q: In approximately how many countries do you have experience handling insolvency and/or asset recovery matters?

A: I have experience dealing with insolvencies and tracing and recovering assets in excess of 30 jurisdictions across Europe, Asia, and the Americas, including the Caribbean.

Q: In your capacity as a court appointed liquidator, have you ever been formally recognized as a foreign representative by a foreign jurisdiction?

A: Yes, in six jurisdictions: UK, Switzerland, Bahamas, Bermuda, Jersey and Australia.

Q: In dealing with these multi-jurisdictional assignments, have you been required to work alongside other insolvency practitioners on the same matter?

A: No – in the sense that the jurisdictions concerned did not require the formal joint appointment of a local insolvency practitioner in the same or a parallel proceeding as a condition of recognition. In one case – Australia –the Court requested that we designate a local Grant Thornton partner as a local contact for the Court. In the remaining cases, the jurisdictions recognized my authority, and that of my joint appointees, as a foreign practitioner under provisions in their domestic insolvency law without requiring co-appointment or a collaborative arrangement with a local practitioner.

Q: Please tell the Court about your experience in working with other insolvency practitioners appointed in other jurisdictions involved in the same matter.

A: Notwithstanding my answer to the previous question, I have worked with insolvency practitioners from other jurisdictions on a single matter. Some jurisdictions require as a matter of law or practice for a local practitioner to be appointed over locally incorporated entities. That is a separate matter from their recognition of foreign practitioners appointed over foreign entities with interests in their jurisdiction. In addition, where my firm has a complex, cross border matter it is common practice for us to have joint appointees, with insolvency practitioners in key foreign jurisdictions appointed jointly with a practitioner or practitioners appointed in the country of incorporation. I currently hold joint appointments with insolvency practitioners in Canada, British Virgin Islands, Antigua, Ireland, UK and Hong Kong. With the exception of the Hong Kong matter all

such joint appointments are with insolvency practitioners from Grant Thornton firms. Given the executory authority held by appointees over estate assets, and issues of joint and several liability, as a matter of good practice and risk management it is comparatively rare for firms such as Grant Thornton to deal in joint appointments on a single matter with other firms except where there are very clear limitations of relative roles and responsibilities. It can also be a problematic issue in regards to professional indemnity insurance cover.

Q: Please describe your primary functions and responsibilities as an insolvency practitioner.

A: The functions and responsibilities of an insolvency appointment will vary according to the nature of the appointment and the law under which one is appointed. However typically it involves the protection, collection and realization of assets, followed by distribution to the creditors, and possibly shareholders, according to their rights against the estate under law. In addition to preserving and gathering the estate, the insolvency practitioner is typically charged with ensuring its distribution to those parties with legitimate claims against the assets, according to the priorities set out by law. This involves both checking the validity and ranking of claims against the estate, as well as the actual act of distribution to those entitled to a distribution. Overlying the latter obligation is the need to comply with the appropriate laws and regulations governing the transfers of monies, including money laundering regulations.

The insolvency practitioner acts as a fiduciary on behalf of those with claims against the estate, and from his appointment to the date of his discharge the insolvency practitioner has an obligation, whether by statute, regulation or simple professional obligation, to keep those parties in interest – typically creditors – advised of his activities

and the financial position of the estate. There is usually a concomitant obligation to ensure that his fees and costs of administering the estate are overseen by another party – usually either the court or administrative body that appointed him – to provide a check and balance against the commercial self interest in his charging fees for services, and to thereby ensure that the activities undertaken are in the commercial interests of the estate or necessitated by statutory obligation.

Put simplistically, the insolvency practitioners job is to protect the estate under his hand, maximize the estate by gathering extant assets, properly pursuing choses of action, assessing and adjudicating claims against the realized estate, and then properly distributing the realized estate to those with valid claims against it according to their priority under law, whilst ensuring that he respects that everything he does should be in accordance with the obligations of the law and the best interests of the estate.

The assets of the estate also include contingent and prospective assets which may require litigation or enforcement action to realize, such as the right of recovery of the estate for damages inflicted against the estate, the recovery of assets misappropriated from the estate, and the reduction or reversal of transactions that have improperly deprived the estate of assets or are otherwise reversible consequent to the insolvency, such as preferences, ultra vires transactions and the like. An insolvency practitioner will normally review the circumstances of the company's failure to determine whether there are specific issues that warrant further investigation to determine whether such choses of action or potential assets exist and are commercially pursuable. This is a standard step, but where there is clear evidence of fraud, misappropriation, wrong doing or payments based either on a fundamentally mistaken or deliberate misstatement of the entity's actual

financial worth, such as would arise in a Ponzi scheme, there is a comparatively greater emphasis on investigation of such areas.

Q: Have these investigations led to any legal proceedings?

A: I have had direct experience of a number of cases in the last 5 years which I have dealt with the recovery of monies or assets from third parties. These include a wide range of issues, including both actions for damages against responsible, whether directly or through negligence, for damage or loss to the company, such as directors and professional advisors, as well as recovery action against those who received monies which, had the correct financial circumstances of the company been known, would not have done. I have also actively defended claims against estates by parties whom I considered did not have legitimate claims, and sought the recovery of collateral seized by secured creditors whose claims I considered overvalued or where enforcement action was not in accordance with their security rights. I am currently involved in formal court proceedings in one case in Cayman defending a \$9 billion plus claim against one estate, and recovery action against professional advisors for €282 million in Ireland. I am in discussions with my legal advisors regarding lodging claims against the auditors and/or directors in 3 separate cases in 3 different jurisdictions, other than this case, concerning breach of fiduciary duty and fraud, with likely claim values in each instance ranging from \$14 million to in excess of \$500 million, as well as a potential claw back action for \$100 million involving wrongful distribution in a hedge fund case.

Q: Have you ever been required to testify in court with respect to insolvency proceedings?

A: No, other than the submission of witness statements or evidence by way of affidavit.

Q: As a court appointed liquidator on other matters, have you ever conducted a claims resolution process?

A: Yes. For example, I have conducted a claims resolution process in the Cayman Islands covering claims of \$90 million governed by Cayman Islands law prior to the revisions of law that became effective in 2009. At that time, I understand the law governing the claims process was substantially the same as that of other British overseas territories or former British Caribbean colonies, such as Antigua and Barbados, and had the same reliance on the guidance offered by the UK Insolvency Act 1986 Rules in so far as they did not differ from the primary local statutes. I also am familiar with the UK Insolvency Act 1986 Rules, both in the context of its application to the Cayman Islands and from my prior experience as a qualified UK insolvency practitioner, which necessitated detailed understanding of the provision of the Rules.

LIQUIDATION OF STANFORD INTERNATIONAL BANK, LTD.

Q: Please tell the Court the basis for your testimony regarding SIB and its operations.

A: I am testifying in my capacity as a Joint Liquidator of SIB. My knowledge relating to SIB, its records, and its operations are based on my own personal knowledge in that I and my team have engaged in extensive investigations regarding SIB and its books and records since the appointment of the Joint Liquidators. I and my team also have engaged in extensive interviews and discussions with current and former employees of SIB. It is important to note that our investigations are ongoing and our determination and identification of assets, choses in action, etc. for the benefit of SIB's victims/creditors is ongoing and continues to expand.

Q: I am going to refer to the High Court of Justice for Antigua and Barbuda, of the Eastern Caribbean Supreme Court, as the High Court. Is that acceptable to you?

A: Yes.

Q: I also am going to refer to Stanford International Bank, Ltd. as SIB. Is that acceptable to you?

A: Yes.

Q: I also am going to refer to Antigua and Barbuda as Antigua and Barbuda or simply as Antigua interchangeably. Is that acceptable to you?

A: Yes.

Q: When did the High Court appoint you as one of SIB's liquidators?

A: The High Court entered an appointment order on May 13, 2011, appointing me and my colleague, Mr. Marcus A. Wide, who heads Grant Thornton's Recovery and Reorganization practice in the British Virgin Islands, as Co-Joint Liquidators.

Q: I am going to refer to you and Mr. Wide as the JLs. Is that acceptable to you?

A: Yes it is.

SIB FACTS AND FINANCIAL OPERATIONS

Q: Please tell us what line of business SIB was in and the nature of its operations.

A: SIB is an international business corporation, incorporated and regulated under the International Business Corporations Act, Cap 222 of the Laws of Antigua and Barbuda, referred to as the IBCA. It is an offshore banking institution that purportedly dedicated itself to offering banking services to customers throughout the world, primarily the issuance of certificates of deposit, or CDs, as well as deposit accounts, private banking services, loans, letters of credit, guarantees, and credit card services, among other things.

Q: Where were SIB's customers located?

A: SIB's customers were located all over the world. Specifically, customers were located in 106 different countries spread out over every continent.

Q: How many customers did SIB have?

A: As of February 2009, SIB had 21,738 customers.

Q: What was the total amount of the deposits made by these customers?

A: The total amount claimed to be on deposit was approximately \$7.25 billion, including accrued interest. In fact, it is the JLs' view at this time that the accrued interest included in this number should not be recoverable. Clearly, once the JL's have backed out the interest component this number will be reduced.

Q: What was the total amount of deposits made with SIB by customers?

A: \$10.02 billion was deposited by customers into SIB over the period 2001 to February 2009. The JL's understand that the vast majority of these funds were invested into CDs.

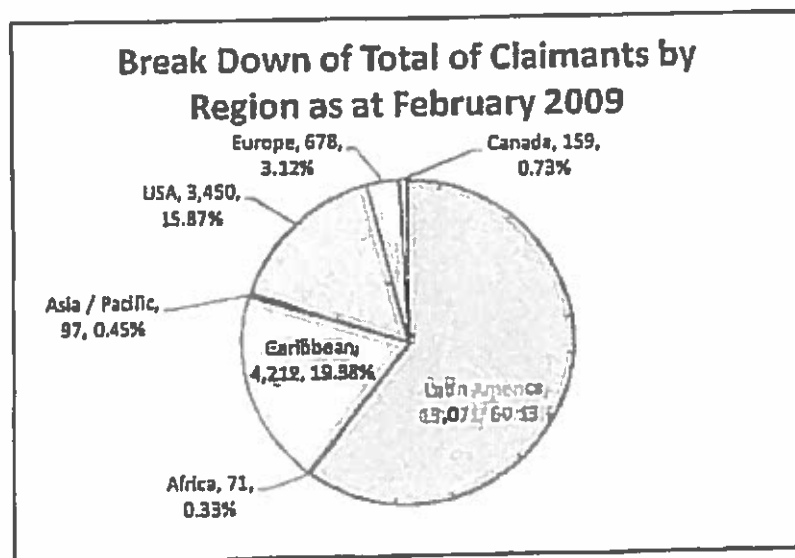
Q: Please provide the Court with a regional breakdown of SIB's customers by number and percentage of the total as of February 2009?

A: For purposes of simplicity, I will be rounding numbers and percentages up or down, as applicable, depending on whether the next number in the figure is greater than or less than 5. With that in mind, by amount and percentage, the customers originated from the following regions in the following percentages of the total:

- (a) 13,071 customers in Latin America, constituting approximately 60.13% of the total;**
- (b) 4,212 customers in the Caribbean, constituting approximately 19.38% of the total;**
- (c) 3,450 customers in the United States, including Puerto Rico and the U.S. Virgin**

- Islands, constituting approximately 15.87% of the total;
- (d) 678 customers in Europe, constituting approximately 3.12% of the total;
 - (e) 159 customers in Canada, constituting approximately 0.73% of the total;
 - (f) 97 customers in Asia, including Australia and the South Pacific, constituting approximately 0.45% of the total; and
 - (g) 71 customers in Africa, constituting approximately 0.33% of the total.

Pictorially, the breakdown of the number of customers by region appears as follows:



Q: How many of SIB's bank customers were Antiguan in nationality or had a mailing address in Antigua?

A: As a general rule, SIB was not allowed, pursuant to applicable regulations, to accept depositors from Antigua. However, SIB's deposits did include deposits of certain expatriates from other countries residing in Antigua; deposits from trusts maintained by Stanford Trust Company Limited, an Antiguan company, of which the JIs also are receivers, and whose funds originated from numerous foreign jurisdictions; and SIB

employees, who were allowed, pursuant to applicable law, to deposit funds with SIB. At present, the JLs' best information is that, in total, these deposits constituted 3,176 of the deposits as of February 2009, being 14.61% of the total number of deposits, and are incorporated in the breakdown of customers by region I previously explained.

Q: Do any of the current customers of SIB hold accounts with balances of less than ECS20,000, Eastern Caribbean Currency, being approximately US\$7,450?

A: Yes.

Q: What is the total amount in US dollars of the account balances under ECS20,000, as shown in SIB's records?

A: US\$2,847,535.97, being 0.04% of the total value of claimed deposits as shown in SIB's records.

Q: How many customers of SIB hold accounts with balances of less than ECS20,000?

A: 1,924, being 8.85% of the total number of customers.

Q: Please provide the Court with a regional breakdown of SIB's customers' account balances as shown in SIB's records by amount and percentage of the total deposited as of February 2009?

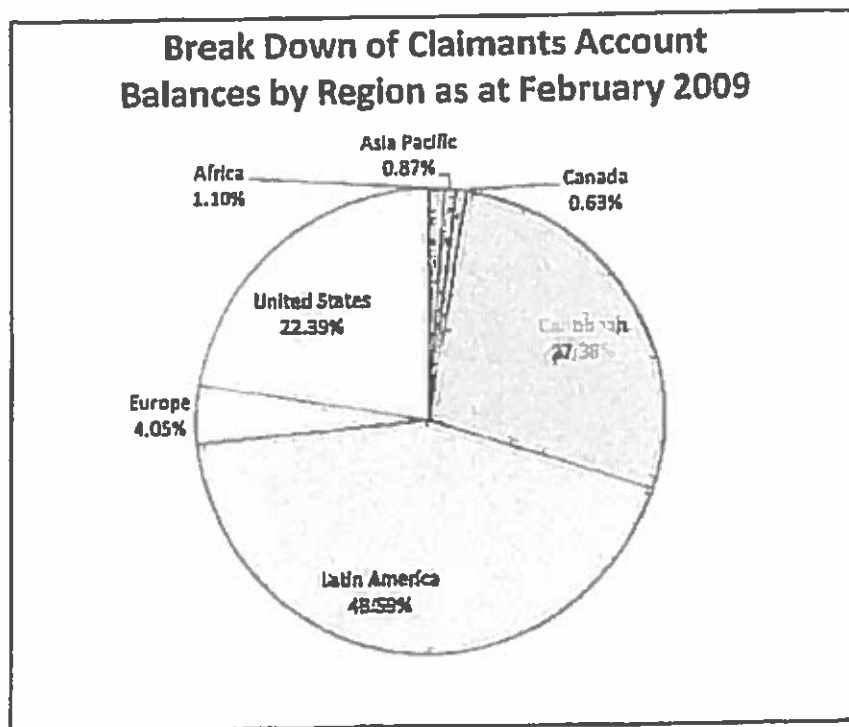
A: For purposes of simplicity, I will once again be rounding the numbers and percentages up or down in the manner I explained before. With that in mind, by amount and percentage, the deposits (inclusive of interest that will be netted out in the claims process) originated from the following regions in the following percentages of the total:

- (h) \$3.16 billion was deposited by individuals and entities from Latin America, constituting approximately 43.59% of the total;**
- (i) \$1.99 billion was deposited by individuals and entities in the Caribbean, constituting approximately 27.38% of the total;**
- (j) \$1.62 billion was deposited by individuals and entities domiciled in the United**

States, including Puerto Rico and the U.S. Virgin Islands, constituting approximately 22.39% of the total;

- (k) \$293.96 million was deposited by individuals and entities in Europe, constituting approximately 4.05% of the total;
- (l) \$79.44 million was deposited by individuals and entities in Africa, constituting approximately 1.10% of the total;
- (m) \$62.76 million was deposited by individuals and entities in Asia, including Australia and the South Pacific, constituting approximately .87% of the total; and
- (n) \$45.79 million was deposited by individuals and entities domiciled in Canada, constituting approximately .63% of the total.

Pictorially, the breakdown of the account balances by amount, appears as follows:



Q: Did SIB enter into any loans with individuals, businesses, or other entities?

A: Yes. As of February 2009, SIB was a party to loan agreements with approximately 491 individuals and companies located throughout the world totaling approximately \$104.4 million. Of the 491 loan agreements, 265 of them were loans drawn by individuals or companies that held CDs with SIB and these loans have been set off against the CDs held. The remaining 226 loans were made to individuals and companies that did not directly hold CDs with SIB. These loans were secured against other SIB CDs. The JLs are taking steps to recover these loans. Of the 491 loans, 71 of them were with individuals and companies located in Antigua, mostly trusts maintained by STC domiciled in Antigua, which totaled approximately \$18 million.

Loans were authorized, pursuant to SIB's policies, only to customers, who had submitted an application to SIB in Antigua and been accepted by SIB's staff in Antigua, and who were issued a promissory note from Antigua governed by Antiguan law. Furthermore, loans were required to be fully secured by funds on deposit at SIB.

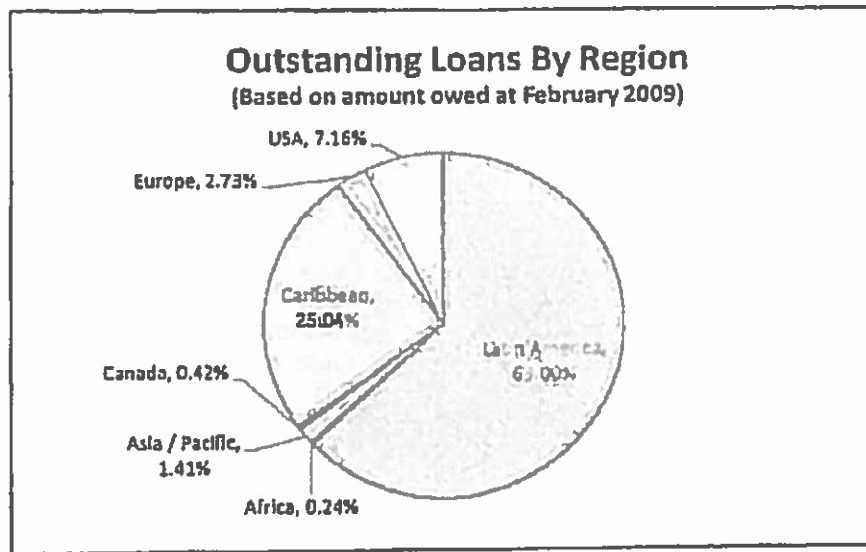
Q: Please provide the Court with a regional breakdown of these loans which SIB entered into.

A: The 491 loan agreements that SIB was a party to as of February 2009, using the same rounding methodology I used before, can be broken down into number of loans by region, and as a percentage of the total as follows:

- (a) 342 loans with individuals and companies throughout Latin America, for a total of approximately \$65.77 million, constituting 63% of the total loaned amounts and 69.65% of the total number of loans;
- (b) 100 loans with individuals and companies in the Caribbean, for a total of approximately \$26.14 million, constituting 25.04% of the total loaned amounts

and 20.37% of the total number of loans;

- (c) 39 loans with individuals and companies in the United States, for a total of approximately \$7.47 million, constituting 7.16% of the total loaned amounts and 7.94% of the total number of loans;
- (d) 5 loans with individuals and companies in Europe, for a total of approximately \$2.85 million, constituting 2.73% of the total loaned amounts and 1.02% of the total number of loans;
- (e) 2 loans with individuals and companies in Asia/Pacific, for a total of approximately \$1.48 million, constituting 1.41% of the total loaned amounts and 0.41% of the total number of loans;
- (f) 2 loans with individuals and companies in Canada, for a total of approximately \$435,000, constituting 0.42% of the total loaned amounts and 0.41% of the total number of loans; and
- (g) 1 loans with individuals and companies in Africa, for a total of approximately \$254,000, constituting 0.24% of the total loaned amounts and 0.2% of the total number of loans.



Q: Is SIB a party to any loans with the Government of Antigua and Barbuda?

A: This issue is still under investigation. At the time the Joint Liquidators took over SIB, there were no loans to the Government of Antigua and Barbuda on the books of SIB. However, there is anecdotal evidence that funds were provided to the Government of Antigua and Barbuda by Stanford and there is almost no doubt that those funds originated from SIB funds. Thus, the funds, presumably in the form of loans, possibly through Bank of Antigua, would have to have been given to the Government of Antigua and Barbuda by an entity other than SIB. If it is discovered that fraudulent transfers of SIB funds were made to other entities and then passed onward as loans to the Government of Antigua and Barbuda, appropriate actions will be taken to recover those funds.

Q: Did SIB enter into any other loans with anyone else?

A: While not registered in the books and records of SIB as such, I understand from the Receivers reports that loans in the amount of approximately \$1.8 billion were made either directly or indirectly to Robert Allen Stanford. The JLs have no further information with respect to that matter. Of course, the JLs do not concede that any such transfers were loans as opposed to embezzlements.

Q: Did SIB enter into any other contractual agreements with anyone else?

A: Yes. SIB entered into contractual agreements with each of its customers, all of which indicated that SIB was located in Antigua and in various instances, called for the application of the law of Antigua and Barbuda and for resolution of disputes in Antigua. With respect primarily to marketing and investment functions, SIB also had agreements with Stanford Financial Group, which, as of January 2008 changed to Stanford Financial Group Global Mgmt. LLC, US Virgin Islands, and other related entities for the provision of such services and contracted with independent companies and other Stanford owned companies such as Stanford Group Company, which I will refer to as SGC, for the referral of customers to SIB. SIB also had a contract with Stanford Development Company Limited to maintain the grounds and building as well as the provision of security services. SIB utilized Sun Printing and Publishing, an affiliated company, for printing its forms, envelopes, and letterhead, as well as advertising in the local paper and various magazines it published. There also were agreements, locally, between SIB and Terminix for pest control services; Business Systems and Supplies for maintenance of the various photocopying and large printers; Antigua ERA Services for air conditioning equipment maintenance; Jakes Cleaning Services for janitorial services; Raeburn

Generator Services to maintain the back-up generator on site; Sagacor Insurance Company for staff health insurance and retirement benefit plan agreement, the British American Insurance Company for similar service prior to December 2008; and other similar local providers, as needed.

Q: On average, how much was invoiced to SIB pursuant to the agreements with Stanford Financial Group and Stanford Group Company, later Stanford Financial Group Global Mgmt. LLC, US Virgin Islands, on a yearly basis?

A: In administration, advisory, and similar fees, the amount ranged from approximately \$11.8 million in 2000, steadily increasing up to approximately \$178.2 million in 2008. In referral fees, the amount ranged from approximately \$18 million in 2000, steadily increasing up to approximately \$157.7 million in 2008.

Q: I am handing you what has been marked as Exhibit HD1? Please identify this document.

A: This is a summary created by SIB of the expenses incurred by SIB from 2000 through 2008.

Q: Did SIB enter into any leases for either premises or equipment?

A: SIB had a twenty year lease, for which it made a \$6 million advance payment, with Stanford Development Company Limited, referred to as SDC, in Antigua and in which company it may have an equitable interest based on the foregoing payment. The building at which SIB's sales office in Montreal, Canada was located also was leased, though that lease was terminated by the former JLS. We have found nothing with respect to equipment leases in our review.

Q: Did SIB have any creditors other than depositors?

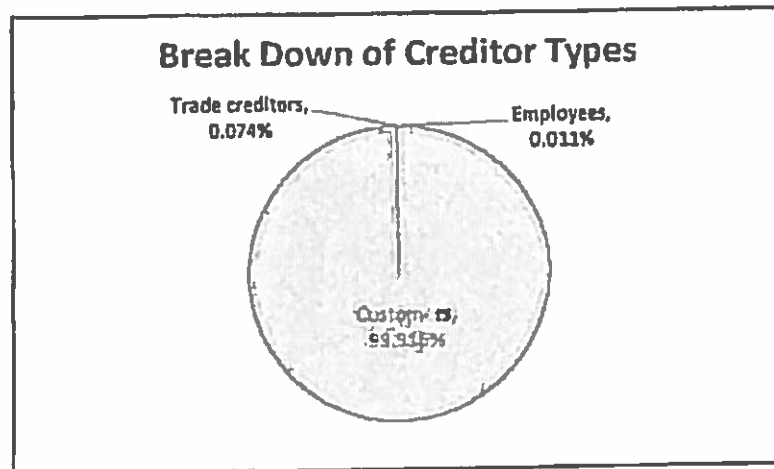
A: Yes – the other creditors of SIB are the former employees and trade creditors. Based on

the information received to date, the amount and number of claims is as follows:

- (a) employees – there are 82 employees entitled to severance, notice and vacations pay totaling approximately \$766,000
- (b) trade creditors – the JLs have received 37 proof of debt forms from trade creditors totaling approximately \$5.34 million

Q: What percentage (in dollars) of total claims do these other creditors constitute when compared with the amount of claims by depositors?

A: The employee and trade creditor claims total approximately 0.084% of the total claims in the liquidation.



Q: Who was SIB owned by?

A: SIB was directly and wholly owned by Stanford International Bank Holdings Limited, an Antiguan incorporated company, which, in turn, was wholly owned by R. Allen Stanford. There were no other equity owners.

Q: Did SIB have an external auditor and, if so, who?

A: Yes. SIB's sole external auditor was C.A.S. Hewlett & Co. in Antigua. SIB was not

required to report to any entity outside Antigua.

SIB ASSETS AND FINANCIAL OPERATIONS

Q: Does SIB have any assets and, if so, where?

A: Yes. SIB has assets in Antigua, Switzerland, the United Kingdom, Canada, the United States, Panama, Columbia and Venezuela. As noted previously our forensic review to account for the depositors money has only recently started and today we do not know if there are other pockets of cash or other assets located in other jurisdictions.

Q: Please tell the Court what SIB's assets consisted of, in general terms, at the time of its liquidation.

A: SIB has a number of parcels of real property in Antigua; bank accounts at Bank of Antigua, HSBC in London, Toronto Dominion Bank in Canada, which I will refer to as TD Bank, Trustmark Bank in Houston, Bank of Houston, Comerica in Houston, Société Générale S.A., in Switzerland, RBS Coutts in Switzerland, Banque Franck Galland & Cie SA in Switzerland, Credit Suisse in London, and Lehman Brothers; and accounts receivables in the form of loans, as I previously explained, though, again, those loans were fully secured by the deposits of the customers to whom those loans had been extended. Investigations as to additional funds or amounts due to SIB are ongoing.

Q: Please tell the Court about SIB's real estate holdings.

A: SIB has 5 real estate holdings in Antigua. Specifically, it owns a freehold interest in land at 1000 Airport Boulevard, Coolidge, St. John's, Antigua, comprising approximately 3.14 acres, which is the current site of what was the Bank of Antigua, now known as Eastern Caribbean Amalgamated Bank, which is subject to agreement of purchase and sale for approximately \$4.1 million. SIB also owned two parcels of property at Coolidge, each

comprising of approximately 0.2 acres, and one at St. Phillips North, known as Pelican Island Properties, comprising of approximately 29 acres. There is another large island with adjoining mainland acreage, totaling over 1,500 acres. SIB also holds the ground lease of the Antiguan Athletic Club. There are also a number of other properties in Antigua held in the name of other Stanford related entities which are believed to have been purchased with funds derived from SIB, in which case we will, at the appropriate time, seek to recover these properties for the benefit of SIB's creditors/victims. These include, among others, the Pavilion Restaurant, the 5,000-seat Stanford Cricket Ground and the Sticky Wicket, a bar and restaurant, among others. The fire sale value of all these properties is estimated at least \$110 million, and considerably more if sold on a more considered basis. To date, it does not appear that SIB has any real estate holdings outside of Antigua, but if it is discovered that other properties may be traced to funds derived from SIB, we will seek to recover those as well.

Q: Does the governments of Antigua and Barbuda currently have control, ownership, or some claim over these assets?

A: No. On February 21, 2009, the Secretary to the Cabinet of Antigua and Barbuda made a declaration of its intent to acquire approximately 28 parcels of property owned by Stanford and Stanford related entities, including SIB, pursuant to the Antigua and Barbuda Land Acquisition Act, Cap. 233, which provides for the acquisition of property by the government in exchange for payment of the fair market value of such property, plus interest and costs in appropriate circumstances. On May 20, 2010, the Governor-General of Antigua made formal notice of abandonment, in the Official Gazette that certain properties of those subject to the February 21, 2009, declaration were being abandoned. All properties owned by SIB were designated to be abandoned in said

resolution, which was published in the official Gazette of Antigua and Barbuda on May 20, 2010, and May 27, 2010. Some of the other properties owned by Stanford and Stanford related entities also have been abandoned in the same fashion. Additionally, to preserve our interest in all properties in the name of Stanford and Stanford related entities other than SIB, we have placed liens on such properties such that they cannot be sold without our prior knowledge and ability to act thereon, if need be. To the extent any properties determined to have been purchased with funds derived with SIB are still subject to restrictions by the Government of Antigua & Barbuda, we will seek to have those properties abandoned or to have the Government pay the fair market value thereof, as required by law.

Q: Please describe for the Court the SIB's bank account holdings at the time of liquidation.

A: SIB has bank accounts or funds traceable to SIB in Antigua, Canada, London, the United States, Panama, and Switzerland. Specifically, SIB had a bank account at the Bank of Antigua, which, as of December 2008, held a balance of \$12,464,000 and at the time of liquidation contained approximately \$9,984,971, and from which petty cash, local creditors and expenses, insurance, and similar types of expenses were paid. SIB also had bank accounts at HSBC in London, to which customers making deposits in Euros, Pound Sterling and Swiss Franks by wire were directed to send their funds, and which, as of the date of the JL's appointment, were estimated to amount to approximately \$4 million. SIB also had bank accounts at TD Bank in Canada, to which customers making deposits in U.S. dollars or Canadian dollars by wire were directed to send their funds, and which are estimated currently to amount to approximately \$18 million. When funds were to be returned to customers, either due to maturity or other instructions by the customer, they

were primarily directed to be sent by personnel in Antigua through the SWIFT banking system from one of these two institutions. SIB also had bank accounts at Trustmark Bank in Houston, through which, after customer checks for deposit were received and logged in Antigua, they were sent for clearance and a further account at Comerica. These accounts appear to have been paid out to the US Receiver. There was also an account at HSBC Panama in the approximate amount of \$3.2 million. All the foregoing accounts were accessible to and managed by SIB personnel in Antigua in furtherance of SIB's banking operations with its customers.

SIB also had investment accounts at several financial institutions throughout the world. Specifically, SIB had an investment account at Bank of Houston and at Comerica in Houston, over which the US Receiver since has asserted control. SIB also had investment funds at Société Générale S.A., headquartered in Switzerland; RBS Coutts, headquartered in Switzerland; and Banque Franck Galland & Cie SA, headquartered in Switzerland, with a current collective balance in the region of \$130 million. Also at Credit Suisse, headquartered in Switzerland, at the branch office in London, with estimated current value of \$110 million

Q: Other than the investment funds and loans, does SIB have any other assets in its name outside of Antigua?

A: Not that we have identified to date.

Q: Was there a discrepancy between the assets recorded in the banks books and records as having been invested and those that actually exist?

A: Yes.

Q: Please tell the Court about that discrepancy.

A: In its last report to the FSRC, SIB declared the value of its investments to be approximately \$8.5 billion, which was overstated, whereas the actual value of the investment assets are presently determined to be in the region of \$350 million, leaving in excess of \$8 billion unaccounted for.

Q: Please describe what "a run on the bank" is.

A: Any bank draws upon deposits made with it to source funds that it then lends to other parties. The duration or call terms of the deposit are commonly far shorter than the duration of the loans made by the bank or the bank's ability to liquidate such loans. The position is often exacerbated by further borrowing on commercial terms by the bank. In cash flow terms the bank relies on its depositors and lenders not demanding the money simultaneously, as a practical matter it would be impossible to either liquidate its own lending to meet the demands for withdrawal of deposits and loans, or solicit replacement deposits. This is common to most banks, and a recognized potential risk in banking. However, in the ordinary course of events depositors do not call their deposits on strict maturity, but typically allow the deposits to remain pending a future requirement to recover the money. Their primary intention in placing the money on relatively short duration is not with the specific intention of accessing the funds on maturity, but to provide comfort that funds will be available if required at short notice. Provided not every depositor requires funds at the same time, this is generally true. This so called intermediation function, taking a large number of small, relatively short term (in strict terms if not in practice) loans and utilizing those to extend longer term credit of larger, consolidated loans is a central feature of banking and a valuable tool for any economy in

accessing savings. The risks are controlled by banking regulators requiring certain minimum amounts of liquidity to be maintained by banks to meet unanticipated demands for funds withdrawal, as well as rules on the ratio of allowable investments by the bank to deposits and reserves, but even the strictest of regulatory regimes allows the bank to lend a considerable multiple of its ability to immediately repay its depositors and other creditors. There is not a financial institution in the world that can survive all its depositors and lenders simultaneously demanding the return of their money. A "run on the bank" is exactly such a scenario – where there is a collapse in confidence by depositors or lenders leading to demands for immediate payment. Any indication that the bank is struggling to meet any initial demands simply further erodes confidence and leads to an expansion of the demands for repayment, which in turn further erodes confidence. Unless very rapidly addressed by liquidity support from a central bank or other financial institutions, the run will exhaust the bank's liquid reserves and force it to suspend payment. That in turn usually triggers the collapse of the bank, either through breach of local law or regulatory provisions, or through a fundamental and irreparable loss in confidence in the bank, even if a bank is balance sheet solvent i.e. its assets are worth more than its liabilities to repay depositors and lenders. Of course, where a bank is involved in a Ponzi scheme or its assets have been misappropriated, the bank is even more vulnerable to a run.

Q: Was there a "run on the bank" with respect to SIB prior to its liquidation?

A: Yes. After the worldwide financial meltdown in late 2008, greatly exacerbated by the news that the Securities and Exchange Commission filed an enforcement action in an attempt to freeze SIB's banking operations, a large number of CD holders sought to withdraw all of their investment from SIB causing a "run on the bank."

Q: How much money was withdrawn from SIB during the run on the bank?

A: It is difficult to define the period of the run, but based on the substantial increase in certificate of deposit redemptions commencing in October 2008, and continuing to the collapse in February 2009, the approximate amount of cash leaving the bank was \$1.4 billion of which \$350 million was in 2009.

Q: Are you able to identify the total amount of money that flowed into SIB from customers?

A: Yes – we are preparing a global cash flow showing money that flowed into and out of SIB. All customer deposits and withdrawals were made via bank accounts held by SIB at the following banks:

- (a) TD Bank – received all US\$ wire deposits and Canadian dollar deposits
- (b) HSBC, UK – received all Euros, Pounds Sterling and Swiss Francs deposits
- (c) Trustmark Bank – received all US\$ check deposits.

Our analysis to date indicates that during the period 2001 to 2009, SIB received \$10.02 billion in deposits from customers and made \$5.63 billion in funds transferred out of the bank. This resulted in net cash of approximately \$4.39 billion remaining in SIB and to be accounted for.

Q: Are you able to account for the net cash of \$4.39 billion that remained in SIB?

As mention previously, due to financial constraints we have only recently been able to

start a detailed forensic investigation to account for this money. However, following our preliminary review and examination of the records at SIB we are confident that we have sufficient records at SIB to enable us to account for all of the funds that flowed through SIB. We are currently conducting an analysis on the SIB's accounting and banking data, in conjunction with the data from the Swift banking systems that were run from Antigua, to determine the destination of all the funds that were transferred out of SIB.

Included in the above are transfers into other Stanford entities via SFG. We hold 65 boxes of transactions records that detail these through flows from SIB via SFG to other Stanford entities. We are in the process of completing an analysis of these records, along with the electronic data, to confirm specifically how SIB's funds, and how much of them, flowed to the Stanford related parties.

I have executed this written direct testimony under penalty of perjury under the laws of the United States of America, 28 U.S.C. §1746, this 5th day of December 2011.



HUGH DICKSON

Case 3:09-cv-00721-N Document 124-1 Filed 12/29/11 Page 1 of 3 PageID 11918

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re	§	
	§	Chapter 15
	§	
Stanford International Bank, Ltd.,	§	Case No. 3:09-cv-00721-N
	§	
Debtor in a Foreign Proceeding	§	

JOINT LIQUIDATORS' DIRECT EXAMINATION OF HUGH DICKSON

Q: Is there anything you would like to add to your written direct testimony?

A: Yes. In that testimony I provided a breakdown of countries of residence of the remaining depositors of the bank, to provide an indication of the geographical distribution of creditors and the point of origin of the monies used to finance the Ponzi scheme. That testimony was based on the records held at SIB. Those records included a substantial number and value of deposits from trusts maintained by Stanford Trust Company (STC). The breakdown designated monies deposited from Antiguan trusts or corporate entities, whether controlled by STC or otherwise, as being Antiguan in origin. Mr. Wide and I were appointed as Receivers of STC on 4 November 2011. Since the drafting of my original testimony our staff have had access to STC records, which have enabled a more accurate consideration of the place of residence of the beneficiaries of the trusts controlled by STC.

Q: What changes have you made to the analysis, and why?

A: The original analysis included some 3,176 deposits from trusts or individuals shown as

JOINT LIQUIDATORS' DIRECT EXAMINATION OF HUGH DICKSON

000060

being Antiguan on SIBs records. These included some 2,600 Antiguan trusts controlled by STC, 31 individuals resident in Antigua, and a further 546 trusts or corporate entities registered in Antigua but not controlled by STC. There were a further 475 trusts controlled by STC who were shown on SIBs books as being from some jurisdiction other than Antigua. Having now examined STCs client records we have been able to identify the country of residence of the beneficial interest in those 3,075 STC controlled trusts. I believe that analysis provides a more accurate consideration of the origin of the monies claimed by depositors. My staff have therefore re-performed the analysis of country of origin by value and amount, removing the original country of allocation and replacing it with the identified point of residence of the beneficiaries of those trusts.

Q: How does that change the analysis?

A: Inspection of the STC records indicated that the substantial majority of the beneficial interest in the trusts controlled by STC was actually of Latin American origin, particularly Venezuela, Mexico and Columbia. These are reflected in a reallocation of approximately 11% of the depositor base by headcount and 16% by value from the Caribbean section to the Latin American section. To put it another way, the proportion of beneficiaries originating in Latin American countries increased from the last analysis showing 60% by volume and 43% by value to now showing 71% by volume and 59% by value. The impact on other categories, including the United States, was not material. The revised allocation can be shown pictorially as indicated in the attached revised charts.

Q: Does the analysis make a significant difference to individual countries ranking?

A: The reallocation significantly reduces Antigua from 3,176 entities to 578 entities, being

31 individuals and 547 trusts and corporate entities. As the latter are not STC controlled entities a further examination of the individual client account forms to determine country of beneficial interest. However, as the total value of deposits held is some \$292 million – being approximately 4% of the total value of depositor claims and 2% of the number of depositors – this should not make a substantial difference to the revised analysis. In terms of the 4 largest countries of origin, Venezuela is by far the largest depositor country with nearly 9,300 depositors and approximately \$2 billion in deposits, totalling more in number of depositors terms than the next three – Mexico, The USA and Colombia – combined. The 4 largest countries can be summarized as follows:

Country	Number of depositors	Value of claims \$ million
Venezuela	9,278	\$1,999
Mexico	3,604	\$1,258
USA	3,409	\$1,605
Colombia	887	\$293



Hugh Dickson

Mark Russell

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

RALPH S. JANVEY, et al.,)	
)	
Plaintiffs,)	
)	
vs.)	CIVIL ACTION
)	NO.
GREENBERG TRAURIG, LLP, HUNTON &)	3:12cv-4641-N
WILLIAMS, LLP; and YOLANDA)	
SUAREZ,)	
)	
Defendants.)	

ORAL AND VIDEOTAPED DEPOSITION OF
MARK RUSSELL

December 17, 2015

ORAL DEPOSITION of MARK RUSSELL, produced as a witness the instance of the Defendant Greenberg Traurig, and duly sworn, was taken in the above styled and numbered cause on December 17, 2015, from 9:06 a.m. to 3:17 p.m., before Jeff L. Foster, a Certified Shorthand Reporter in and for the State of Texas, at the offices of Baker Botts, LLP, 2001 Ross Avenue, Suite 1100, Dallas, Texas 75201, pursuant to the Federal Rules of Civil Procedure and the provisions stated on the record.

DepoTexas, Inc.

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Mark Russell

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	<p>receivership?</p> <p>A. So through my involvement we're contracted through FTI for the receivership.</p> <p>Q. Are you doing something different at Ernst & Young than you had been doing at FTI?</p> <p>A. No, it's the same role.</p> <p>Q. Tell us what that role is.</p> <p>A. Okay. So primarily we act as the receiver's forensic accountant, so to the extent that the receiver needs analysis done, investigation done from like a financial and accounting perspective, we'll review the records, put together the analysis that he needs, compile that kind of information and do the investigation.</p> <p>We also support Karyl Van Tassel in her role generally as the designated expert whenever the receivership has some kind of a case where an opinion needs to be given regarding like the Ponzi scheme, cash tracing, those kinds of things.</p> <p>Q. Have you appeared as an expert witness in connection with the Stanford entities?</p> <p>A. I have not.</p> <p>Q. And I take it the declaration that you submitted in this case and your appearance here today is not as an expert witness; is that correct?</p>	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	<p>is your understanding that the Antigua joint liquidators have at their disposal?</p> <p>A. I kind of have an understanding. I don't know that I would have direct knowledge of exactly what they have. But from some conversations we've had with them in the past they have electronic data related to the SIB CD database. We've been told by them, though we haven't verified it ourselves, that they have backup tapes of databases that were not live down there. So they have kind of backup tapes of the old databases. And then they also have file rooms of general accounting type records, client records, client folders, that kind of information related to the SIB CD investors.</p> <p>Q. And have you reviewed or examined the Antigua joint liquidators' cache of electronic and paper records?</p> <p>A. Not in any specific detail. On one visit we had down there we kind of just looked through it to see what type of information was there. But not any type of organized manner to say exactly what was there and what wasn't.</p> <p>Q. What is the electronic SIB CD database?</p> <p>A. So the one that was -- the one that was opening when the receivership took over in February</p>
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	<p>A. That's correct.</p> <p>Q. You're not rendering any opinions on anything to do with the Stanford litigation?</p> <p>A. That's correct.</p> <p>Q. I understand that before your recent move that FTI was receiving for your services \$436 per hour; is that correct?</p> <p>A. That's correct.</p> <p>Q. What is Ernst & Young receiving now?</p> <p>A. It's the same rate.</p> <p>Q. Do you have any contracts or connections with what I will call the putative class action plaintiffs in this case?</p> <p>A. No, we do not.</p> <p>Q. Who is paying your fee for the appearance you have today?</p> <p>A. The receiver.</p> <p>Q. All right. We've gotten your background and all the rest of it from other depositions. So let's just skip forward, if we might.</p> <p>A. Okay.</p> <p>Q. The first large-scale question I would have for you is can you explain what sort of data and records are held with respect to the Stanford enterprises? Let's start first down in Antigua. What</p>	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	<p>2009 was a Temenos database. So that was kind of like the software that over lied the data and the underlying tables. There was also information available kind of live on their server from the previous database, which was referred to as Data Pro.</p> <p>Q. It's my understanding that the receiver, Mr. Janvey, has a copy of that Temenos database; is that correct?</p> <p>A. That's correct.</p> <p>Q. And that was obtained from Houston through computer connections?</p> <p>A. That's correct.</p> <p>Q. Is there anything about the Temenos database and Data Pro that are held by the joint liquidators down in Antigua that are not held also by Mr. Janvey here?</p> <p>A. We haven't done -- we don't have access to everything that they have in terms of like -- I can't see a copy of what it is that they're operating, so we haven't been able to do a comparison of like's exactly what we have, here's exactly what they have to determine whether there are or are not any differences between the two.</p> <p>Q. Why not?</p> <p>A. Because we just -- we don't have their data.</p>

3 (Pages 6 to 9)

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000064

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<p>1 We don't have a copy of what they're operating off of.</p> <p>2 Q. Well, it was my understanding that there was</p> <p>3 an agreement to share information that was signed</p> <p>4 between the two parties?</p> <p>5 A. There is.</p> <p>6 Q. So why hasn't Mr. Janvey been able to get</p> <p>7 copies of that and make those comparisons?</p> <p>8 A. I don't know that he's asked for copies in</p> <p>9 order to do it. So I don't know that he -- I don't</p> <p>10 know that he can't or hasn't been able to. I don't --</p> <p>11 I don't know if he's even asked for a copy to compare</p> <p>12 it to.</p> <p>13 Q. Have you or the receiver asked to see the</p> <p>14 backups of the old SIB database held in Antigua?</p> <p>15 A. We have not. We have not asked for them or</p> <p>16 looked at them.</p> <p>17 Q. Do you know why?</p> <p>18 A. I don't.</p> <p>19 Q. The data that you have up here from the</p> <p>20 Temenos database only goes back to a certain prior</p> <p>21 date, right?</p> <p>22 A. Correct.</p> <p>23 Q. What date?</p> <p>24 A. So kind of generally the earliest information</p> <p>25 we have is from August of 2003. Scattering here and</p>	<p>1 you want like more specific to the CD-related ones or</p> <p>2 just in general?</p> <p>3 Q. Go ahead in general.</p> <p>4 A. Okay. So in general it's just normal business</p> <p>5 records, so like stuff you would expect at any</p> <p>6 business, contracts, accounting, all those types of</p> <p>7 business type documents, accounting and finance</p> <p>8 documents. And then in addition to that they have a</p> <p>9 client file room that contains folders for all of the</p> <p>10 different SIBL CD investors and then within those</p> <p>11 folders there's the account statement and account</p> <p>12 opening information and SIBL CD type agreement copies</p> <p>13 that they have down there.</p> <p>14 Q. Does the client file room down in Antigua hold</p> <p>15 copies of signed subscription agreements?</p> <p>16 A. I don't recall if it specifically does or</p> <p>17 doesn't.</p> <p>18 Q. Have you had occasion to request any</p> <p>19 particular client file from Antigua?</p> <p>20 A. I don't know if that's happened or not.</p> <p>21 Q. Who would know?</p> <p>22 A. I'd assume somebody that works for the</p> <p>23 receiver would know. I couldn't tell you specifically</p> <p>24 who would know.</p> <p>25 Q. Are there any other paper files that you</p>
<p>1 there we'll see some transactions that predate that</p> <p>2 date, but primarily all of our transactions begin in</p> <p>3 August of 2003.</p> <p>4 Q. But the receiver has not asked the Antigua</p> <p>5 joint liquidators to give data prior to that date,</p> <p>6 right?</p> <p>7 A. I don't know whether he's asked for it</p> <p>8 specifically or not. I know that I haven't seen a copy</p> <p>9 of it from them.</p> <p>10 Q. Well, if he had gotten a copy, you would have</p> <p>11 seen it, right? That's your job?</p> <p>12 A. We would have seen it if he would have then</p> <p>13 asked us to do a comparison. So I know I haven't been</p> <p>14 asked to do that. So I haven't -- I haven't seen a</p> <p>15 copy of it.</p> <p>16 Q. Does that mean there is a possibility that the</p> <p>17 Temenos database that you have up here has some spots</p> <p>18 where it does not agree with the database held down in</p> <p>19 Antigua, but you just don't know it?</p> <p>20 A. I mean, it's always a possibility. We haven't</p> <p>21 seen any instances of that, though.</p> <p>22 Q. Let's next talk about the paper files that you</p> <p>23 say are held down in Antigua. What do you understand</p> <p>24 them to consist of?</p> <p>25 A. So our understanding is that they have -- do</p>	<p>1 understand are being held down in Antigua?</p> <p>2 A. Not that I -- not that I have direct knowledge</p> <p>3 on, no.</p> <p>4 Q. Next let me ask if you know what sort of</p> <p>5 either indexes or computer files are searchable among</p> <p>6 the documents and records held down in Antigua?</p> <p>7 A. I don't know if -- like electronic searchable</p> <p>8 kind of format? I don't know.</p> <p>9 Q. What about with respect to the papers held in</p> <p>10 the client file room? Are there any indexes that you</p> <p>11 know of about what is in that client file room?</p> <p>12 A. I don't know.</p> <p>13 Q. Have you seen the client file room that time</p> <p>14 you went to Antigua?</p> <p>15 A. I did.</p> <p>16 Q. What did it look like?</p> <p>17 A. It's like a big -- big room, kind of shelves</p> <p>18 lined out, and then kind of alphabetically -- I think</p> <p>19 it was alphabetically; it may have been by CD number.</p> <p>20 There's folders kind of in those shelves of various</p> <p>21 client files.</p> <p>22 Q. Did you have occasion to look at a sample of</p> <p>23 what was in one of those folders?</p> <p>24 A. I know I looked through a few. I don't</p> <p>25 specifically remember everything that was in there.</p>

4 (Pages 10 to 13)

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000065

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<p>18</p> <p>1 have to sign if they wanted their claim to be 2 recognized up here?</p> <p>3 A. I don't -- I don't know if that's been 4 formally put together yet or not.</p> <p>5 Q. Let's just finish out this section. Is there 6 anything else that you're aware of with regard to the 7 Stanford International Bank that's being held by the 8 joint liquidators down in Antigua?</p> <p>9 A. In terms of like documents and records and 10 data?</p> <p>11 Q. Documents, records, anything of importance 12 to -- for example, claims against law firms?</p> <p>13 A. I mean, without knowing specifics, like just 14 general business type documents that you'd expect to be 15 kept by an entity. So, you know, there's vendor files 16 and that kind of stuff down there, so -- but I kind of 17 consider that a part of the accounting records.</p> <p>18 Q. What about e-mails? Are you aware of whether 19 either the U.S. receiver or the Antigua joint 20 liquidators have possession of e-mail records?</p> <p>21 A. I know the U.S. receivership does. I don't 22 know whether or not the joint liquidators do.</p> <p>23 Q. We'll get to the receiver in a moment. And 24 that moment should be right now. Very good. Let's 25 move on now to the second question, which is what sort</p>	<p>1 of that e-mail system?</p> <p>2 A. I know that they had a lot of e-mail like on 3 an exchange server. I don't know -- I don't know 4 specifically if they were running Microsoft. I think 5 they were, but -- like a Microsoft exchange, but they 6 had servers with the live e-mail on it.</p> <p>7 Q. Okay.</p> <p>8 A. And then --</p> <p>9 Q. I know in other cases parties have had 10 searches run and I just don't recall the name of 11 that -- either the database or the system they were 12 using.</p> <p>13 All right. Please keep going. What 14 other records or material of the Stanford bank and 15 Stanford empire does the U.S. receiver currently have?</p> <p>16 A. And then we also have -- like we discussed 17 earlier, we have a copy set of the SIDL CD database 18 that was live at the time that we took over, so it's 19 tables and information from the Temenos and the 20 Data Pro databases.</p> <p>21 We've also received from several of the 22 banking institutions that the Stanford entities used 23 wire information and bank statements and check images. 24 So that's primarily going to be from Toronto Dominion, 25 Trustmark National Bank, Bank of Houston. I believe</p>
<p>19</p> <p>1 of data and records the receiver, Mr. Junvey, has with 2 regard to the Stanford International Bank and related 3 entities?</p> <p>4 A. Oh, that's a big question. So I'll kind of 5 give broad categories. So there's electronic 6 information, which I would kind of describe as we have 7 some of the underlying accounting kind of general 8 ledger Oracle type system accounting records. Those 9 generally include general ledger detail. We also have 10 like vendor payment detail. Those are kind of the two 11 primary ones that we've used in our investigation so 12 far. There's other tables that we just haven't used as 13 much from that Oracle database.</p> <p>14 We also have more -- more electronic type 15 accounting records that we've received over time from 16 the various -- like various accounting people at 17 Stanford. We have e-mail records, so when the 18 receivership took over there was an effort to image and 19 preserve the e-mail and computer and hard drive 20 information of a large number of individuals. I don't 21 know the specifics on it. I know that FTI has a record 22 of what's been done. And then some of that has been 23 loaded and is available from a review perspective.</p> <p>24 Then we also have the --</p> <p>25 Q. What is -- I don't recall. What was the name</p>	<p>1 we've also gotten some stuff from HSBC. And then we 2 also have a lot of paper records of the paper records 3 that were in the various Stanford offices when the 4 receivership took over. So there's a warehouse that 5 has boxes of information from the paper documents.</p> <p>6 Q. Down in Houston?</p> <p>7 A. Yes, it's down in Houston.</p> <p>8 Q. Are there any indexes to the warehouse in 9 Houston?</p> <p>10 A. My understanding is there's like kind of a 11 high-level index that says generically kind of what's 12 available in the various boxes down there.</p> <p>13 Q. Has either the receiver or FTI created a more 14 detailed index?</p> <p>15 A. Not that I'm aware of.</p> <p>16 Q. Have you had occasion or FTI to search for 17 records in that warehouse?</p> <p>18 A. I haven't personally searched for records. I 19 don't -- I'm trying to think if anybody from FTI would 20 have ever gone there to look for anything specifically. 21 I know that nobody from FTI has done like a 22 comprehensive review of all the records that are in the 23 warehouse, but I don't know whether or not anybody has 24 ever gone down to go pull a specific box to see if 25 there's something that they were looking for or not.</p>

(Pages 18 to)

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000066

Mark Russell

<p>1 MR. ISRAELOFF: Let's break for a change 2 of tape and we'll pick it up here in a moment 3 THE WITNESS: Okay 4 THE VIDEOGRAPHER: The time is 10 07. We 5 are off the video record. 6 (Recess taken.) 7 THE VIDEOGRAPHER: The time is 10 30. We 8 are back on the video record, tape number two 9 Q. (BY MR. ISRAELOFF) Before the break we were 10 talking about what information the receiver has with 11 regard to an individual claimant's nationality. Let me 12 ask it this way. If the receiver was asked what 13 nationality a particular claimant has, where would you 14 go to get that information? 15 A. So there's -- there's two different 16 possibilities I could foresee when we're talking about 17 claimants. One would be the field that we just 18 discussed in the Temenos/Data Pro database. There's a 19 field that refers to nationality. And then also 20 potentially like he could send out a request to the 21 actual claimants with approved claims to request that 22 information kind of as a confirmatory process. 23 Q. Now, that's something new I haven't heard 24 before. Where in all of this process is the receiver 25 requiring somebody to answer new requests like what is</p>	<p>perspective. Q. Similarly we know, for example, from our named plaintiff, Mr. Troice, he has two citizenships, one in Mexico and one in the United States. If a claimant like Mr. Troice has two nationalities, which one would be in the receiver's available data? A. I don't know what would be populated in the nationality field. I know there's some other fields in the database that refer to like legal document I.D., identification, that's populated about 80 percent of the time in the database. I don't know one way or the other whether that would contain additional nationality information or not, though. Q. Well, which nationality would be contained in the receiver's answer to such a question? A. I don't know whether that determination has been reached yet. So I think that would still be up for consideration, a determination the receivership -- the receiver would have to make that I don't think he's made yet. Q. Is the nationality field filled out for a hundred percent of the claim records? A. The nationality field is filled out a hundred percent in the Temenos database for the accounts, and so since the claims are based on the account numbers,</p>
<p>47 your nationality? Where is that? A. So I haven't seen anything where it's been required, but it's more of is it a possibility. Could he ask that information and could he ask the question? And I think the answer is, yes, but I don't know. I like in terms of has he ever -- has he asked that question or required that answer before, I don't -- I don't think so. Q. All right. Let's stick with the available information as the receiver has it today. A. Okay. Q. And I'll ask the question again. If the receiver was asked today what the nationality of a particular claimant was, would he have that information? A. He would have the nationality as reflected in the Temenos and Data Pro database. Q. And you don't know at what point in time that field in the database was filled, right? A. Yeah, correct. Q. Do you know what checking -- fact checking, if you will, was made on the field for nationality when it was first entered in the Temenos database? A. I don't specifically know where that nationality field was coming from from an application</p>	<p>49 yes. I had to walk through that in my head to make sure. Q. Is the nationality field filled out in the database for accounts in the name of entities? A. It's filled out for all of the accounts. So to the extent that there's entity accounts and entity clients, then there would be a nationality associated with it, yes. Q. Do you know what SIBL did, if anything, to check on the declaration of nationality? A. From a verification standpoint? Q. Yes. A. I don't know one way or the other. Q. If somebody moves and immigrates to another country between the time they open their account and today, is there anything in the receiver's data that would disclose that? A. So like if they change their citizenship? Q. Yes. A. I don't know -- I don't know one way or the other whether that nationality field would be reflective of their new nationality or not. Q. Related to that question, let me go to the physical location that an individual customer would have had. Is there anything in the receiver's database</p>

13 (Pages 46 to 49)

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000067

Mark Russell

<p>Q. That was done for some of the net winner claims, but not all of them?</p> <p>A. Yeah, again, on a — for specific net winners from that — from that level.</p> <p>Q. All other claimants who are not in that net winners category, —</p> <p>A. Uh-huh.</p> <p>Q. — that sort of tracing has not been done for any of them, correct?</p> <p>A. It has been done for — I know it's been done for some through the objections process. But it hasn't — we haven't undertaken to do that for every single one of the claimants.</p> <p>Q. All right. That means, therefore, that the receiver cannot rule out the possibility that one or more CD claimant files showing up in the Temenos database are completely fictitious accounts?</p> <p>MR. ARLINGTON: Objection, vague and mischaracterizes the prior testimony.</p> <p>A. Yeah, again, I think — I'm trying to ascertain whether or not you're saying is there a claim that's been allowed, that the claimant is fictitious or that the underlying information driving the allowed amount is fictitious?</p> <p>Q. (BY MR. ISRAELOFF) The entire account. We don't</p>	<p>CO</p> <p>1. Initially done a comparison of transactions that we have in the bank information of transactions and matched them up to transactions in the Temenos and Data Pro information.</p> <p>Q. Is that everything or just on a sample type basis or what you say when you have that transfer information?</p> <p>A. So it depends on which bank we're talking about, so for TD it was a comparison holistically of all the wire data that we have. Which I think if I remember right a lot of our TD wire data goes back as far as 2002. So that would cover all the periods that we have data for Data Pro and Temenos.</p> <p>Q. But that's only relating to wire deposits as opposed to any other kind of deposit?</p> <p>A. It would be for wire deposits and U.S. dollars, Canadian dollars, I think there's one other denomination that ran through TD. So that would be on the wire side.</p> <p>Q. My question was, it would not include deposits from customers who made their payment other than through a wire transfer, right?</p> <p>A. Correct. That particular comparison would not, correct.</p> <p>Q. All right. What other banks were reviewed to</p>
<p>59</p> <p>1. know, do we not, that some Allen Stanford entries into their financial books were fictitious.</p> <p>A. Correct.</p> <p>Q. Hence my question. Has the receiver been able to rule out the possibility that some of the CD claims are also fictitious claim amounts?</p> <p>MR. ARLINGTON: Objection, vague.</p> <p>A. So I'll answer it, I think, kind of the same way I did and it's the best answer I give you, is we have done comparison analysis and we haven't seen anything of that nature. But we haven't done a specific analysis to say that one way or the other. So I don't know whether the receiver could rule it out if that analysis was done or not. But I can't agree that he can't rule it out. It's just we haven't — unless we've done the analysis, I can't say that one way or the other.</p> <p>Q. (BY MR. ISRAELOFF) Let me broaden this line of questioning to the entire Temenos database.</p> <p>A. Okay.</p> <p>Q. What, if any, activities has the receiver undertaken to determine if the Temenos database is reliable?</p> <p>A. So, again — so like we discussed before, what we've done is the cash tracing analysis, where we've</p>	<p>4.1</p> <p>1. match up transfer data?</p> <p>A. So the other bank that we looked at was Trustmark, which handled the check deposits from customers. So that wasn't done on a hundred percent basis, but we looked at — that was done more on a sampling type basis where we gathered large checks on a large — I can't remember the exact numbers off the top of my head, but a large portion of the checks and compared them to check deposits in a civil database.</p> <p>Q. You're familiar with what an audit means under Generally Accepted Accounting Principles, right?</p> <p>A. Correct.</p> <p>Q. Has the Temenos database been audited since the receiver's appointment?</p> <p>A. We haven't been retained to do an audit or an assurance on it. We've done a lot of testing and review of the underlying transactions to confirm that they occurred.</p> <p>Q. But that's not an audit under Generally Accepted Accounting Principles, is it?</p> <p>A. Right. And we weren't retained to do an audit. It's a very specific —</p> <p>Q. Was anybody else retained to audit the Temenos database?</p> <p>A. Not that I'm aware of.</p>

16 (Pages 58 to 61)

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000068

Mark Russell

<p>1 A. Uh-huh.</p> <p>2 Q. Let's explore that. What you're trying to say</p> <p>3 in paragraph five is that you can do a formula based on</p> <p>4 data that's already in the receiver's hands. That</p> <p>5 would be --</p> <p>6 A. Correct.</p> <p>7 Q. -- the first part of it. And you're saying</p> <p>8 for data that is not currently in the receiver's</p> <p>9 database, how would that information be obtained?</p> <p>10 A. So -- so my understanding is right now the</p> <p>11 proposed class is some -- is either the claimants that</p> <p>12 have allowed amounts or some subpopulation of that.</p> <p>13 And so the receivership has the ability to contact</p> <p>14 those individuals, request the additional information</p> <p>15 if it's necessary, and then once it's obtained we could</p> <p>16 then factor that into our analysis.</p> <p>17 Q. But as you sit here today, if there is an item</p> <p>18 in the damages methodology that is not currently in the</p> <p>19 receiver's database, the receiver could not generate a</p> <p>20 report as of today with respect to items that aren't in</p> <p>21 that database; isn't that right?</p> <p>22 A. I would agree with that.</p> <p>23 Q. So for anything in terms of a damages</p> <p>24 methodology that is not currently in the Temenos</p> <p>25 database or the claims database, the receiver is simply</p>	<p>1 of a request from the receiver for more information,</p> <p>2 that kind of request would require a determination</p> <p>3 individually for each of those 17,000 plus claimants,</p> <p>4 right?</p> <p>5 A. It would require obtaining that information</p> <p>6 for them. But it could be factored into a calculation</p> <p>7 all at once, kind of in one holistic calculation.</p> <p>8 Q. I think I see where you're going. But the</p> <p>9 first part of that statement is -- is true, is it not,</p> <p>10 that if the receiver has to request and obtain</p> <p>11 additional information, that would have to be done</p> <p>12 individually for each claimant, wouldn't it?</p> <p>13 A. I mean, there would be a request per claimant.</p> <p>14 Q. Yes, sir.</p> <p>15 A. But the request -- but in both the request and</p> <p>16 anything that we do it could be done holistically, so</p> <p>17 it wouldn't be a matter -- the receiver is not going to</p> <p>18 have to like lick an envelope for every single</p> <p>19 claimant. I see -- yeah, so each -- each claimant gets</p> <p>20 their own request, but it's not -- it's not like we</p> <p>21 have to send out each request individually like one at</p> <p>22 a time. I don't know if that's making sense. Like we</p> <p>23 can send them out in batches. But, yes, each claimant</p> <p>24 gets their own individual request.</p> <p>25 Q. Well, paragraph five says a little bit more</p>
<p>1 saying (trust me, I can get that additional information.</p> <p>2 MR. ARLINGTON: Objection, calls for --</p> <p>3 Q. (BY MR. ISRAELOFF) Is that right?</p> <p>4 MR. ARLINGTON: Objection, calls --</p> <p>5 mischaracterizes the testimony.</p> <p>6 A. I would say that the receiver -- what we're</p> <p>7 saying is that the receiver has the ability to request</p> <p>8 and obtain that information. I don't know how the</p> <p>9 court would rule on people that failed to respond. But</p> <p>10 on those that then we receive responses on, we could</p> <p>11 add that information and then limit our damages</p> <p>12 calculation as required.</p> <p>13 Q. (BY MR. ISRAELOFF) Approximately how many</p> <p>14 individual claimants are there?</p> <p>15 A. So I think there's somewhere in the</p> <p>16 neighborhood of, what is it, 17,000 claim -- unique</p> <p>17 claims that have received -- that -- sorry, that have</p> <p>18 received certifications to date. So it's somewhere a</p> <p>19 little bit north of that. So through our regular</p> <p>20 claims process there's a certification that's required</p> <p>21 for a different -- for a different issue, for them to</p> <p>22 receive a distribution. There's about 17,000 and</p> <p>23 change that have received that certification to date.</p> <p>24 So it's somewhere a little bit north of that.</p> <p>25 Q. If the damages methodology required some sort</p>	<p>1 than that, doesn't it? If you'll read down that first</p> <p>2 long sentence, "While FTI has not been specifically</p> <p>3 retained to determine the damages methodology in this</p> <p>4 case as of this date of this declaration, FTI has the</p> <p>5 ability and receivership data necessary to limit any</p> <p>6 such damages calculation to those investors who</p> <p>7 invested money in SIBL after certain dates."</p> <p>8 A. Correct.</p> <p>9 Q. That's not really an accurate statement with</p> <p>10 regard to obtaining additional information, is it?</p> <p>11 A. Well, we wouldn't need to obtain any</p> <p>12 additional information to limit it to those date</p> <p>13 ranges.</p> <p>14 Q. Okay. But if the damages methodology requires</p> <p>15 additional information -- let's just say nationality at</p> <p>16 the time a CD was purchased and let's say that the</p> <p>17 nationality field in Temenos might or might not relate</p> <p>18 to the day when each CD was purchased, so that</p> <p>19 additional information has to be obtained. Let's just</p> <p>20 use that as a simple example.</p> <p>21 FTI does not have receivership data</p> <p>22 necessary to generate a complete list within those</p> <p>23 dates today, does it?</p> <p>24 A. I would agree with that.</p> <p>25 Q. All right. The last sentence in paragraph</p>

21 (Pages 78 to 81)

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000069

Mark Russell

<p>1 on the claims database for a second, --</p> <p>2 A. Uh-huh.</p> <p>3 Q. -- Is there a set number of fields -- you</p> <p>4 know, is there a database structure that has a hundred</p> <p>5 fields or 200 fields?</p> <p>6 A. I don't know enough to speak to specifics on</p> <p>7 it, because that claims information is maintained by</p> <p>8 Gilardi. I know that there are specific fields like</p> <p>9 related to like the claimant's name, their address, the</p> <p>10 CD accounts that they're claiming, the claim number,</p> <p>11 those -- that type of information. I can't speak to a</p> <p>12 hundred percent of everything that is contained from a</p> <p>13 field's perspective.</p> <p>14 Q. And so you don't know whether that information</p> <p>15 would be available or not? In other words, a list of</p> <p>16 every single field that's in the claims database?</p> <p>17 A. I don't know if that exists right now. And it</p> <p>18 would have to be an assumption, but I would assume that</p> <p>19 Gilardi would be able to say here are the fields that</p> <p>20 are in our database, though.</p> <p>21 Q. And I think you've described --</p> <p>22 A. Uh-huh.</p> <p>23 Q. -- your knowledge of a subset of them, but --</p> <p>24 A. Correct.</p> <p>25 Q. -- you don't know what the exhaustive list is?</p>	<p>136</p> <p>1 some kind of future additional information development</p> <p>2 are there any plans to develop additional information</p> <p>3 as part of the claims database?</p> <p>4 A. Not to my knowledge. I don't know one way or</p> <p>5 the other.</p> <p>6 Q. And as you sit here, I mean, you haven't</p> <p>7 performed any assessment of the qualitative accuracy of</p> <p>8 what random things might be in these files, right?</p> <p>9 A. I mean, have I reviewed the files to see what</p> <p>10 exactly exists in them?</p> <p>11 Q. For example.</p> <p>12 A. I have not.</p> <p>13 Q. I may be retreading a little ground here, but</p> <p>14 if we look again at paragraph five --</p> <p>15 A. Okay.</p> <p>16 Q. -- of Exhibit 4, which is your declaration,</p> <p>17 That last sentence there says, "Further, FTI has the</p> <p>18 ability and receivership data necessary to perform the</p> <p>19 calculation of damages, once the damages methodology is</p> <p>20 determined, whether that determination is made by FTI</p> <p>21 or another third-party damages expert." Did I read</p> <p>22 that correctly?</p> <p>23 A. You did.</p> <p>24 Q. What did -- what, if anything, did you do to</p> <p>25 investigate that ability before including that</p>
<p>135</p> <p>1 A. Correct.</p> <p>2 Q. So Sim asked you a number of questions that --</p> <p>3 for example, focusing on the state where a particular</p> <p>4 claimant might have received representations. Do you</p> <p>5 remember those --</p> <p>6 A. I do.</p> <p>7 Q. -- questions? And so there were a number of</p> <p>8 times when you said, well, there may -- there may be</p> <p>9 information in some of the particular files for</p> <p>10 particular people, correct?</p> <p>11 A. Correct.</p> <p>12 Q. But as it relates to the things that he asked</p> <p>13 about, like the state where they may have received</p> <p>14 representations, those are not things as far as you</p> <p>15 know that are part of the claims database that could be</p> <p>16 electronically queried. Fair?</p> <p>17 A. That's fair, not to my knowledge, yeah.</p> <p>18 Q. And so in order to figure out whether there</p> <p>19 was information in a particular category such as a</p> <p>20 state where these things were received, somebody would</p> <p>21 have to go do a manual investigation of some kind to</p> <p>22 figure that out, true?</p> <p>23 A. If we're speaking about what the receiver</p> <p>24 currently has on hand, I believe that would be true.</p> <p>25 Q. All right. So leaving open the possibility of</p>	<p>137</p> <p>1 statement in your declaration?</p> <p>2 A. So primarily what I focused on was what --</p> <p>3 what CD information do we have, what are some of the</p> <p>4 limits that currently exist in any of our databases to</p> <p>5 any -- to that extent, and what other sources of</p> <p>6 information potentially do we have that we could then</p> <p>7 go to augment our data for it.</p> <p>8 And then with the understanding that in a</p> <p>9 damages methodology you can -- an expert -- you know,</p> <p>10 you can kind of make certain assumptions and you can</p> <p>11 make certain different caveats as long as you're able</p> <p>12 to support them. Did I feel that we had, A, data and</p> <p>13 enough outside data from the database to be able to run</p> <p>14 calculations and do limits on that data.</p> <p>15 I believe like my primary focus was on</p> <p>16 date ranges and do we have the ability to exclude one</p> <p>17 way or the other. And so I may not have contemplated</p> <p>18 every potential possibility, which I think was -- when</p> <p>19 I was discussing it with Mr. Sim. But like the primary</p> <p>20 focus was like on transactionally do we have the data,</p> <p>21 can we then -- do we have the information that allows</p> <p>22 us to identify dates, can we identify when money is</p> <p>23 moving between accounts. And the level of detail that</p> <p>24 we have, I felt comfortable with being able to say that</p> <p>25 if somebody puts limits on what information needs to be</p>

35 (Pages 134 to 137)

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000070

Mark Russell

<p>1 Q So there are different levels depending on 2 what level of reliability you might need, correct?</p> <p>3 A. And, again, I don't mean in minute words, but 4 you keep using audit, which has a very specific 5 connotation, especially like with CPAs. Like we're 6 not -- we're not doing an audit, which is -- which is 7 us giving an opinion regarding something.</p> <p>8 And so like for the purposes of what 9 we're doing, we've done a lot of analysis that does 10 match up those records. And we haven't seen a reason 11 to say -- we haven't seen anything that tells us that, 12 well, I've got a deposit over here that says it's a 13 million, but that same one over here is only showing up 14 as a hundred thousand. And so we haven't seen things 15 that lead us to believe that that information is not 16 reliable.</p> <p>17 But the direction that we've done it in 18 doesn't allow me to give you a, hey, I've looked at 19 this and attempted to identify everything, so I can't 20 really give you a percentage breakdown.</p> <p>21 MR. JIMENEZ-EKMAN: We have to change the 22 tape.</p> <p>23 THE VIDEOGRAPHER: The time is 2:15. 24 We're off the video record. 25 (Recess taken.)</p>	<p>1 A. I was.</p> <p>2 Q. Okay. So I'll ask a pointed question, then. 3 If it were your personal money that was at issue, would 4 you consider the SIBL database to be reliable enough to 5 rely on for the distribution of that money?</p> <p>6 A. You know, considering the additional costs it 7 would take to kind of augment our missing information, 8 you know, personally I kind of think I kind of fall 9 with where the receiver is, that that additional 10 expense doesn't make sense from a claims perspective. 11 It may cost more to do that than kind of in the 12 aggregate it's going to benefit the claimants, like 13 just as a whole.</p> <p>14 Q. I appreciate that answer from a systemic 15 perspective, but my question was a little bit 16 different. It was if it was your money at stake, --</p> <p>17 A. Uh-huh.</p> <p>18 Q. -- Is the database reliable enough to rely on 19 to figure out who gets what?</p> <p>20 MR. ARLINGTON: Objection, overbroad and 21 vague.</p> <p>22 A. I think it's reliable enough to do what the 23 receivership needs to do. I think if it was -- if I 24 was a claimant, then depending upon whatever that 25 answer came out for me, then I may or may not object</p>
<p>159</p> <p>1 THE VIDEOGRAPHER: The time is 2:24. We 2 are back on the video record, tape number four.</p> <p>3 Q. (BY MR. JIMENEZ-EKMAN) Mr. Russell, when the 4 receiver -- or FTL is looking at a claim, I think we 5 talked about the information supplied by the claimant 6 is reviewed and it's compared against the SIBL 7 databases, correct?</p> <p>8 A. That's correct.</p> <p>9 Q. But then it, generally speaking, is not going 10 to be compared against the external bank data unless 11 there's an objection or something that needs to be 12 tracked down, true?</p> <p>13 A. That would be true, yes.</p> <p>14 Q. And then we were going back and forth and I 15 realize I'm using the word audit, which does mean 16 something, you know, quite specific or can mean 17 something quite specific in the context of, for 18 example, audited financial statements.</p> <p>19 But if we're just talking about means of 20 testing reliability of the data -- well, first let me 21 ask you this. Have you personally -- were you 22 personally involved in that holistic attempt to figure 23 out whether this was a Ponzi scheme that has yielded 24 some information about the reliability of the SIBL 25 data?</p>	<p>161</p> <p>1 depending upon what the answer was.</p> <p>2 Q. (BY MR. JIMENEZ-EKMAN) And why do you think 3 it's reliable enough to do what the receiver needs to 4 do?</p> <p>5 A. Because it's providing sufficient information 6 to allow the receivership to calculate the position 7 based on his determination of how to do that 8 calculation.</p> <p>9 Q. But we've already talked about he's only using 10 two pieces of data, unless there's an objection, what 11 the claimant provides and the SIBL database, right?</p> <p>12 A. Correct.</p> <p>13 Q. So the claimant -- you know, there's -- 14 there's no way to check -- well, let me step back. 15 Unless there's an objection or some 16 problem nobody is independently investigating the truth 17 or falsity of anything that's on these claim forms or 18 electronic forms, right?</p> <p>19 MR. ARLINGTON: Objection, you're 20 mischaracterizing his testimony.</p> <p>21 A. I mean, my understanding, you know, the one 22 thing that they do do is they do verify that the person 23 making the claim does own the account that they're 24 claiming.</p> <p>25 Q. (BY MR. JIMENEZ-EKMAN) Based on the SIBL</p>

41 (Pages 158 to 161)

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000071

Mark Russell

<p>1 instances where an account just all of a sudden appears 2 like with a balance as 12-31-2006. So we treat the 3 balance and the principal for those accounts similarly 4 that we do for the '43. That gets treated as what we 5 call an initial balance and it's treated as money in. 6 Additionally then we have the actual cash 7 transfers that you're referring to, so like deposits of 8 checks, deposits of wire transfers that are coming in 9 to the accounts. Those get treated as money in. 10 There's also situations where two 11 unrelated investors may transfer money amongst 12 themselves. So money going from me to David per se 13 would be treated as if I took money out and he got 14 money in. So when we're trying to calculate his 15 position, he received the benefit of money from me 16 that -- and we're unrelated people. So for his purposes 17 that would be money in. 18 Q. How common are those transactions? 19 A. I don't have a count, to be honest with you. 20 It's something we could derive at, because our query 21 allows us to identify them. I don't remember offhand 22 like how pervasive it would be across the groups. 23 Q. How many -- sorry. How many CD accounts 24 existed as of August 2003 in the Temenus database? 25 A. I'm trying to remember what -- because I know</p>	<p>1 database structure. 2 A. Uh-huh. 3 Q. -- what other -- other than -- other than 4 putting in date restrictions and getting out money in 5 and money out, what else would the database yield? 6 What else -- how could you query it that you can think 7 of that might be a proper damages measure? 8 MR. ARLINGTON: Objection, overbroad and 9 vague. 10 A. I don't know about proper damages model. I 11 can think of other -- like, you know, one of the things 12 that I considered when I was saying can we do something 13 is if it became necessary to say the dollar amounts 14 that are being allowed by the receivership come from 15 what deposits, like would we be able to trace specific 16 dollars throughout the database to get to -- well, is 17 this dollar -- is a dollar from this deposit from 2006 18 actually in that allowable amount, or in theory what's 19 the composition of the allowable amount, what deposits 20 does it consist of. 21 And so the question I kind of asked 22 myself and asked my team is could we develop a way to 23 do that, kind of trace dollars throughout, and it would 24 be possible. There would be certain assumptions that 25 would have to be made and agreed upon in terms of what</p>
<p>1 we did this. I'm trying to remember what the number 2 are. I know that there's about -- and I cannot 3 remember the counts, but I know the dollar amount. 4 There was about \$1.6 billion worth of principal balance 5 at that point in time. Roughly 900 million of that is 6 in groups that are in like -- or accounts that are in 7 groups that have -- that are a part of the claims 8 process. And then the other 7, 750 million are on 9 accounts that have never been claimed as part of the 10 receivership claims process. 11 Q. Sorry, I'm jumping around a little bit here, 12 but that's what happens with cleanup people sometimes. 13 A. That's fine. 14 Q. If -- so if we go back in the ability to 15 calculate -- 16 A. Uh-huh. 17 Q. -- damages and what you've said in your 18 declaration, we've talked about date restrictions, 19 right? 20 A. Uh-huh. 21 Q. And we've talked about as an output the 22 money -- the net money in/money out calculation, 23 correct? 24 A. Correct. 25 Q. As you sit here based on your knowledge of the</p>	<p>1 order do transactions move out of accounts, like a last 2 in/first out method, a first in/first out. Do 3 transactions and interest move like on an allocation 4 basis. Those are all determinations that would have to 5 be made. But the transaction information is detailed 6 enough to allow us to flow that through. 7 Q. (BY MR. JIMENEZ-EKMAN) So -- 8 A. So that's one of the contemplations is do we 9 need -- potentially -- potentially maybe -- I can't 10 talk right now. Potentially may we be required to 11 speak to the composition of the allowed amount and/or 12 any net winning amount, however it needs to be 13 determined. 14 Q. Okay. Can you think of anything else? 15 MR. ARLINGTON: Same objection. 16 A. I mean, as I sit here today I haven't really 17 tried to think of anything else. 18 Q. (BY MR. JIMENEZ-EKMAN) This is my chance to 19 test you based on your pretty broad statement in your 20 declaration. 21 A. Uh-huh. I mean -- 22 Q. So -- 23 MR. ARLINGTON: And it's also required 24 that we have a specific question as opposed to can you 25 think of anything you could do with the database.</p>

43 (Pages 166 to 169)

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000072

Pamela G. Reed

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

RALPH S. JANVEY, et al.,)	
)	
Plaintiffs,)	
)	
vs.)	CIVIL ACTION
)	NO.
GREENBERG TRAUIG, LLP, HUNTON &)	3:12cv-4641-N
WILLIAMS, LLP; and YOLANDA)	
SUAREZ,)	
)	
Defendants.)	

ORAL AND VIDEOTAPED DEPOSITION OF
PAMELA G. REED
December 3, 2015

ORAL DEPOSITION of PAMELA G. REED, produced as a witness the instance of the Defendant Greenberg Traurig, and duly sworn, was taken in the above styled and numbered cause on December 3, 2015, from 9:00 a.m. to 11:41 a.m., before Jeff L. Foster, a Certified Shorthand Reporter in and for the State of Texas, at the offices of Strasburger & Price, 901 Main Street, Suite 4400, Dallas, Texas 75202, pursuant to the Federal Rules of Civil Procedure and the provisions stated on the record.

DepoTexas, Inc.

000073

Pamela G. Reed

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<p>1 APPEARANCES</p> <p>2 FOR THE PLAINTIFFS:</p> <p>3 Mr. Edward C. Snyder</p> <p>4 CASPILLO & SNYDER</p> <p>5 Bank of America Plaza, Suite 1020</p> <p>6 300 Canyon Street</p> <p>7 San Antonio, Texas 78241-3789</p> <p>8 (210) 438-4300</p> <p>9 esnyder@caspilloy.com</p> <p>10 -and-</p> <p>11 Mr. Douglas J. Buncher</p> <p>12 NELIGAN FOLEY, LLP</p> <p>13 325 N. St. Paul Street, Suite 1600</p> <p>14 Dallas, Texas 75201</p> <p>15 (214) 826-3300</p> <p>16 dbuncher@neliganfoley.com</p> <p>17 FOR THE DEFENDANT GREENBERG TRAUBIG</p> <p>18 Mr. Jim C. Cowles</p> <p>19 Mr. Simon Isacoff</p> <p>20 COWLES & THOMPSON, P.C.</p> <p>21 901 Main Street, Suite 1900</p> <p>22 Dallas, Texas 75202</p> <p>23 (214) 412-2000</p> <p>24 jcowles@cowthompson.com</p> <p>25 simon@cowthompson.com</p> <p>FOR THE DEFENDANT HUNTON & WILLIAMS:</p> <p>Ms. Laura C. Bishop</p> <p>Mr. Andrew W. Vail</p> <p>JENNER & BLOCK</p> <p>311 North Clark Street</p> <p>Chicago, Illinois 60610-3416</p> <p>(312) 332-8110</p> <p>lbishop@jenner.com</p> <p>avail@jenner.com</p> <p>ALSO APPEARING</p> <p>Mr. Randy Johnson, videographer</p> <p>Mr. Jorge Salgado</p>		<p>1 PROCEEDINGS</p> <p>2 THE VIDEOGRAPHER: We are now on the</p> <p>3 record for the video deposition of Pam Reed. The time</p> <p>4 is 9:00 o'clock a.m., dated December 3rd, 2015, in the</p> <p>5 matter of Ralph S. Janvey, et al., versus Greenberg</p> <p>6 Traubig, et al., Civil Action Number 3:12-CV-4641-N,</p> <p>7 being held in the United States District Court for the</p> <p>8 Northern District, Dallas Division.</p> <p>9 The court reporter is Jeff Foster and the</p> <p>10 videographer is Randy Johnson, both representatives of</p> <p>11 DepoTexas. Will counsel please state their appearances</p> <p>12 for the record?</p> <p>13 MR. SNYDER: Ed Snyder on behalf of</p> <p>14 plaintiffs.</p> <p>15 MR. BUNCHER: Doug Buncher for the</p> <p>16 plaintiffs.</p> <p>17 MR. COWLES: Jim Cowles for defendant</p> <p>18 Greenberg.</p> <p>19 Mr. Isacoff: Sim Isacoff for</p> <p>20 defendant Greenberg.</p> <p>21 MS. BISHOP: Laura Bishop for defendant</p> <p>22 Hunton & Williams.</p> <p>23 MR. VAIL: Andrew Vail for defendant</p> <p>24 Hunton.</p> <p>25 THE VIDEOGRAPHER: Will the court</p>	
<p>1 INDEX</p> <p>2 PAGE</p> <p>3 Appearance..... 3</p> <p>4 PAMELA G. REED</p> <p>5 Examination by Mr. Cowles 3</p> <p>6 Examination by Ms. Bishop 80</p> <p>7 Signature Page..... 109</p> <p>8 Reporter's Certificate..... 111</p> <p>9 EXHIBITS</p> <p>10 NO. DESCRIPTION PAGE</p> <p>11 Exhibit 1..... 7</p> <p>12 Plaintiff first amended class action</p> <p>13 complaint</p> <p>14 Exhibit 2..... 12</p> <p>15 Stanford Group Company class action</p> <p>16 Exhibit 3..... 23</p> <p>17 Plaintiff's original petition in Gibson</p> <p>18 et al., vs. Nigel Donovan</p> <p>19 Exhibit 4..... 30</p> <p>20 Disclosure statement</p> <p>21 Exhibit 5..... 43</p> <p>22 Disclosure statement</p> <p>23 Exhibit 6..... 45</p> <p>24 Subscription agreement between</p> <p>25 questionaire</p> <p>Exhibit 7..... 48</p> <p>Correspondence from Stanford Group Company</p> <p>Exhibit 8..... 51</p> <p>Unsworn motion to substitute name of</p> <p>19 plaintiff and putative class representative</p> <p>Exhibit 9..... 78</p> <p>Memo from Miguel Pacheco to Pam Reed,</p> <p>20 dated February 18, 2015, with attached memo</p> <p>Exhibit 10..... 88</p> <p>Correspondence from Grant Thornton</p> <p>21 Exhibit 11..... 103</p> <p>Confidential Stanford Investment portfolio</p> <p>22 questionnaire</p>		<p>1 reporter please administer the oath?</p> <p>2 PAMELA G. REED,</p> <p>3 having been first duly sworn, testified as follows:</p> <p>4 EXAMINATION</p> <p>5 BY MR. COWLES:</p> <p>6 Q. Give us your full name, please, ma'am.</p> <p>7 A. Pamela Gail Reed.</p> <p>8 Q. You were married to Bob Gibbins?</p> <p>9 A. I was.</p> <p>10 Q. Where do you reside today? Is it in Austin?</p> <p>11 A. It is.</p> <p>12 Q. Okay. Can you give me an address?</p> <p>13 A. 1502 Harbor View, Westlake Hills, Texas 78746.</p> <p>14 Q. Your husband Bob passed away in 2013, did he</p> <p>15 not?</p> <p>16 A. He did.</p> <p>17 Q. Have I got the year right?</p> <p>18 A. Yes, sir.</p> <p>19 Q. All right. Quite a loss to you. He was a</p> <p>20 great man. Tell us just briefly your education, just</p> <p>21 say, from high school on real briefly.</p> <p>22 A. I went to high school in Austin, undergraduate</p> <p>23 University of Colorado, law school at the University of</p> <p>24 Texas.</p> <p>25 Q. And you started practicing law first where?</p>	

2 (Pages 2 to 5)

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000074

Pamela G. Reed

<p>6</p> <p>1 A. In Austin.</p> <p>2 Q. Run off where you've practiced real quickly?</p> <p>3 A. Okay. I was at the city attorney's office in</p> <p>4 Austin for four years, I believe, and then went to</p> <p>5 Davis & Davis and was there for four years. And then</p> <p>6 I started running for office.</p> <p>7 Q. Started running for office?</p> <p>8 A. Yes, sir.</p> <p>9 Q. Which office would that be?</p> <p>10 A. I was county commissioner, Travis County in</p> <p>11 Austin, and then I was a commissioner on the Texas</p> <p>12 Water Commission and then the Texas Natural Resources</p> <p>13 Commission.</p> <p>14 Q. I want to do something here, Ms. Reed, if we</p> <p>15 might to try to save some time. You have been and are</p> <p>16 a party to other lawsuits involved in this</p> <p>17 receivership, aren't you?</p> <p>18 A. Yes, sir.</p> <p>19 Q. As a representative plaintiff, --</p> <p>20 A. Yes, sir.</p> <p>21 Q. -- correct? Let me take one of those, if I</p> <p>22 can. I'm going to talk to you just a moment so we can</p> <p>23 get an overall picture of the story you and your</p> <p>24 husband had.</p> <p>25 A. Okay.</p>	<p>8</p> <p>1 think in the rest of the petition SGC means Stanford</p> <p>2 Group Company, --</p> <p>3 A. Correct.</p> <p>4 Q. -- right?</p> <p>5 A. Yes, sir.</p> <p>6 Q. All right. That is correct, you first got</p> <p>7 involved really in early 2007, is it not?</p> <p>8 A. Yes, sir.</p> <p>9 Q. "In April of 2007 after their financial</p> <p>10 advisor joined SGC, Gibbins and Reed moved their</p> <p>11 investment portfolio from Smith Barney to SGC." Prior</p> <p>12 to that time your financial advisor had been at Smith</p> <p>13 Barney for a long time, hadn't he?</p> <p>14 A. Yes, sir.</p> <p>15 Q. And you-all had used him at that institution?</p> <p>16 A. Yes, sir.</p> <p>17 Q. Paragraph 83. "Gibbins and Reed's financial</p> <p>18 advisor then convinced them to invest their money in</p> <p>19 SBI -- SIBL CDs. On May the 11th, 2007 Gibbins and</p> <p>20 Reed invested \$2,416,938 with SGC following the advice</p> <p>21 of their financial advisor." Is that correct?</p> <p>22 A. Yes, sir.</p> <p>23 Q. "Purchased one SIBL fixed CD in the amount of</p> <p>24 160,000 pounds." That equals about \$300,000, does it</p> <p>25 not, something like that?</p>
<p>7</p> <p>1 Q. I am not going to introduce any of these into</p> <p>2 evidence, but I'm going to mark them just so we know</p> <p>3 what we're talking about. Fair enough?</p> <p>4 A. Yes, sir.</p> <p>5 Q. Let me hand you what's been marked -- excuse</p> <p>6 me, let me mark it -- as Defendants' Exhibit 1.</p> <p>7 A. Thank you.</p> <p>8 Q. And tell you that that is, I think everybody</p> <p>9 at this table will agree, a copy of that particular</p> <p>10 lawsuit in which you are a representative plaintiff</p> <p>11 against BDO?</p> <p>12 A. Yes, sir.</p> <p>13 Q. All right. I want to see if we can pin down</p> <p>14 very quickly and broadly and generally your story in</p> <p>15 this matter. Would you turn to page 38?</p> <p>16 A. (The witness complied.)</p> <p>17 Q. Let me read some of this to you. I have it</p> <p>18 highlighted so you can go right to it, if you would,</p> <p>19 please.</p> <p>20 A. Yes.</p> <p>21 Q. Paragraph 82. "In early 2007 plaintiff Pam</p> <p>22 Reed and her husband Bob Gibbins were convinced by</p> <p>23 their Austin-based financial advisor to relocate their</p> <p>24 investments from Smith Barney to Stanford Financial</p> <p>25 Group when their financial advisor joined SGC." And</p>	<p>9</p> <p>1 A. I believe so, something like that.</p> <p>2 Q. Okay. "And another SIBL fixed CD in the</p> <p>3 amount of \$2,156,286," and it gives the account</p> <p>4 numbers. "Both CDs were issued in the name of Gibbins</p> <p>5 and Reed jointly and had a one-year term maturing in</p> <p>6 May 2008." Is all that correct?</p> <p>7 A. I believe so.</p> <p>8 Q. So you bought the CDs and they had a one-year</p> <p>9 maturing -- maturity date and would mature in May 2008?</p> <p>10 A. I believe so.</p> <p>11 Q. Okay. Skip down to the last sentence in</p> <p>12 paragraph 84. "The financial advisor also told</p> <p>13 Reed and Gibbins that SIBL was part of SGC." SIBL, you</p> <p>14 know that is the bank, that's the initials for the</p> <p>15 Stanford International Bank in Antigua, don't you?</p> <p>16 A. Yes, sir.</p> <p>17 Q. And it was part of Stanford Group Companies;</p> <p>18 is that right?</p> <p>19 A. That's what we understood.</p> <p>20 Q. That's what he said?</p> <p>21 A. Yes, sir.</p> <p>22 Q. And SGC was a licensed broker/dealer just like</p> <p>23 Smith Barney. You have no reason to question that.</p> <p>24 That's correct, isn't it?</p> <p>25 A. Correct.</p>

3 (Pages 6 to 9)

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000075

Pamela G. Reed

<p style="text-align: right;">18</p> <p>1 A. I can't say that I specifically knew that.</p> <p>2 Q. That's fine. "And is a full service</p> <p>3 broker/dealer registered with the SEC and state</p> <p>4 jurisdictions and as such is obligated to comply with</p> <p>5 all applicable rules, laws and regulations, including</p> <p>6 those of the SEC and other regulatory and</p> <p>7 self-regulatory agencies." Were you aware of all that</p> <p>8 when you entered into this agreement?</p> <p>9 A. I don't know that I was aware of those things</p> <p>10 specifically, but, again, I was assured that they were</p> <p>11 just like Smith Barney, were subject to any -- were</p> <p>12 complying with any laws and regulations that they were</p> <p>13 supposed to.</p> <p>14 Q. And Smith Barney did that.</p> <p>15 A. Yes, sir.</p> <p>16 Q. Turn over to page 8 just a moment.</p> <p>17 A. (The witness complied.)</p> <p>18 Q. Paragraph J. It's entitled, "Written</p> <p>19 Disclosure Statements." It says, "Simultaneously with</p> <p>20 full execution of this agreement Stanford will deliver</p> <p>21 to client" -- that's you and your husband --</p> <p>22 "Stanford's schedule H of form ADV and sub-advisor's</p> <p>23 schedule H of form ADV or part two of form ADV or</p> <p>24 similar disclosure document as its brochure pursuant to</p> <p>25 Rule 204J of the Advisers Act. The client will</p>	<p style="text-align: right;">20</p> <p>1 A. I would assume it was sometime prior to our</p> <p>2 purchasing the CDs.</p> <p>3 Q. Okay. Did he state to you that these CDs were</p> <p>4 securities that were regulated by the U.S. government?</p> <p>5 A. I believe he did.</p> <p>6 Q. Can you refer us, Ms. Reed, to a document</p> <p>7 anywhere stating those two facts, that he said that to</p> <p>8 you?</p> <p>9 A. No, sir, I don't know where that document</p> <p>10 would be.</p> <p>11 Q. Do you have anything in writing anywhere,</p> <p>12 anywhere in this whole world of ours, that says the</p> <p>13 CDs were FDIC insured?</p> <p>14 A. Not that I know of.</p> <p>15 Q. Do you have any document anywhere in the world</p> <p>16 that says the bank regulated these CDs by the U.S.</p> <p>17 government -- was regulated by the U.S. government?</p> <p>18 A. I don't know.</p> <p>19 Q. Okay. Well, you and your husband came to a</p> <p>20 parting of the ways with Mr. Bowman, didn't you?</p> <p>21 A. Yes, sir.</p> <p>22 Q. Been a longtime friend?</p> <p>23 A. Yes, sir.</p> <p>24 Q. A man you trusted?</p> <p>25 A. I did. We both did.</p>
<p style="text-align: right;">19</p> <p>1 receive prospective -- prospectus for each of the</p> <p>2 mutual funds in which the assets in the account are</p> <p>3 invested." Did they comply with that provision?</p> <p>4 A. I have no memory if they did or not.</p> <p>5 Q. Could they have?</p> <p>6 A. Sorry?</p> <p>7 Q. They could have, but you don't have memory of</p> <p>8 it?</p> <p>9 A. Yes, sir.</p> <p>10 Q. Well, that brings the question right straight</p> <p>11 up. Do you have any memory at all of receiving any</p> <p>12 disclosure statement in connection with your</p> <p>13 investments in the Stanford Group Company?</p> <p>14 MR. SNYDER: Of any -- just objection,</p> <p>15 form. CDs or any investments whatsoever?</p> <p>16 MR. COWLES: Well, any investments.</p> <p>17 MR. SNYDER: Okay.</p> <p>18 Q. (BY MR. COWLES) Did you or not?</p> <p>19 A. Well, I'm sure we did. I don't remember</p> <p>20 specifically which ones.</p> <p>21 Q. Okay. Did Mr. Bowman state to you and your</p> <p>22 husband, your husband in your presence, that the CD</p> <p>23 were FDIC insured?</p> <p>24 A. I believe he did.</p> <p>25 Q. Do you know when?</p>	<p style="text-align: right;">21</p> <p>1 Q. Did anyone with the Stanford Group, even</p> <p>2 including Allen Stanford, ever orally say to you these</p> <p>3 CDs are FDIC insured?</p> <p>4 A. Mr. Bowman did.</p> <p>5 Q. Other than Mr. Bowman.</p> <p>6 A. I don't remember anyone else.</p> <p>7 Q. Okay. Did anyone -- the same question as to</p> <p>8 regulation of the bank by U.S. government. Anybody</p> <p>9 ever say to you that was a fact other than Mr. Bowman?</p> <p>10 A. I'm not sure if anybody other than Mr. Bowman</p> <p>11 said that.</p> <p>12 Q. Okay. That's great. You ended up having to</p> <p>13 bring a lawsuit against Mr. Bowman, didn't you, you and</p> <p>14 your husband?</p> <p>15 A. We did.</p> <p>16 Q. And that was filed in August of 2010; is that</p> <p>17 right?</p> <p>18 A. I'm not sure of the date. Whatever date it</p> <p>19 says on the petition.</p> <p>20 Q. Well, I can't tell. The Travis district clerk</p> <p>21 is a little bit funny the way they stamp these things.</p> <p>22 I can't tell what they're saying, but it looks like</p> <p>23 that.</p> <p>24 A. Okay.</p> <p>25 Q. And it was styled Bob Gibbins, Pam Reed.</p>

6 (Pages 18 to 21)

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000076

Pamela G. Reed

<p style="text-align: right;">46</p> <p>1 A. I think -- yes, that would be -- we would have 2 been the depositors. 3 Q. This is very hard to read. It is the -- 4 A. Indeed. 5 Q. It is a blown up copy. You wouldn't believe 6 the original. It's the best we could do. All right. 7 There are stated to be depositor representations and 8 they're stated to be, "As a condition to our accepting 9 your subscription and any subsequent deposits in the 10 case of a Flex CD, you state as follows," and then it 11 gives several statements. See that? Can you read that 12 much? 13 A. I can barely see it. 14 Q. Okay. 15 A. Yes. 16 Q. Paragraph little B under that says, "The 17 information set forth on the -- in the accompanying 18 investor questionnaire is accurate and complete as of 19 the date of this subscription agreement." Do you 20 remember filling out the questionnaire? 21 A. I don't independently remember, no. 22 Q. Okay. The next paragraph, "You are an 23 accredited investor" -- wait a minute -- "as provided 24 in the qualification, conditions and accompanying 25 investor questionnaire and you understand and</p>	<p style="text-align: right;">48</p> <p>1 Q. -- one way or the other. 2 A. Not one way or another. 3 MR. BUNCHER: That was Exhibit 6; is that 4 right? 5 MR. COWLES: It was. 6 (Deposition Exhibit 7 marked.) 7 MR. COWLES: This is 7. 8 MR. BUNCHER: All right. 9 A. Thank you. 10 Q. (BY MR. COWLES) Ms. Reed, Defendants' Exhibit 11 7 are three separate documents stapled together and 12 we'll see why in just a minute. Up in the left-hand 13 corner it has "Stanford Group Company," right-hand 14 corner, "Perching." And it appears to be documents 15 where you have opened accounts with Stanford Group 16 Company. Take a look at it just a moment. 17 A. Yes, sir. 18 Q. And they're identical except they're for 19 individual accounts. There's three different ones, so 20 they sent you one for each it looks like. Do you have 21 any memory of this? 22 A. No, sir, I don't. 23 Q. Okay. You don't know whether you got them or 24 not? 25 A. I don't know whether we got them or not.</p>
<p style="text-align: right;">47</p> <p>1 acknowledge that the U.S. Accredited Investor has not 2 been and will not be registered under the Securities 3 Act of 1933 in reliance on exemptions or private 4 offerings." Were you given that information? Other 5 than right here now. 6 A. I don't believe so, sir. 7 Q. Okay. Look down at E, if you would, "You and 8 your duly appointed advisor" -- that would be 9 Mr. Bowman, wouldn't it? 10 A. Correct. 11 Q. -- "have knowledge and experience in 12 financial, tax and business matters such that you or 13 your advisor are capable of making an informed decision 14 to acquire a U.S. Accredited Investor CD in light of 15 its merits and risks." Is that a representation that 16 you can make or did make? 17 A. If we signed this, I guess we did make it. 18 Q. Okay. Would you look back at 5037 19 A. (The witness complied.) 20 Q. And we're not going to read any of this, it's 21 so light you barely can. But that's the investor 22 questionnaire attached to the subscription agreement. 23 A. (Witness nods head.) 24 Q. But you don't have a memory of that -- 25 A. No, sir.</p>	<p style="text-align: right;">49</p> <p>1 Q. Would you look at the first sentence? That 2 states, "The above-referenced introducing firm has 3 opened an account in your name." That would be 4 Stanford Group Company. That's the above name. "W- 5 suggest that you read the enclosed disclosure 6 statement." 7 A. Yes, sir. 8 Q. And that particular sentence is in each one of 9 these, is it not? 10 A. Yes, sir. 11 Q. Does that indicate to you that you've got the 12 disclosure statement with a document like this? 13 MR. SNYDER: Objection, form. What 14 disclosure statement, sir? Do you have one that's 15 attached to this? 16 A. I would ask the same question. I don't know 17 what disclosure statement they're referring if it's 18 not -- 19 Q. (BY MR. COWLES) That's fair. 20 A. -- part of -- 21 Q. Okay. 22 A. -- these documents. 23 Q. You don't have any memory of receiving the 24 disclosure statement like we just went through. 25 A. Correct. I don't have any memory of</p>

13 (Pages 46 to 49)

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000077

Pamela G. Reed

<p style="text-align: right;">50</p> <p>1 receiving —</p> <p>2 Q. Okay.</p> <p>3 A. — these documents or the disclosure</p> <p>4 statement.</p> <p>5 Q. That's fair. All right. By the way, have you</p> <p>6 seen a disclosure statement that was signed by you or</p> <p>7 your husband since August of 2010 or 2009 or anytime?</p> <p>8 Have you seen one?</p> <p>9 MR. SNYDER: Objection, form. As to the</p> <p>10 CDs or as to any disclosure statements?</p> <p>11 MR. COWLES: As to the CDs.</p> <p>12 A. As to the CDs? Everything that we had in our</p> <p>13 file went to Mr. Snyder, so I don't know that I've seen</p> <p>14 one or not.</p> <p>15 Q. (BY MR. COWLES) Well, did you look at the</p> <p>16 documents yourself before you sent them somewhere?</p> <p>17 A. I probably went through them with my</p> <p>18 assistant.</p> <p>19 Q. And do you recall you or your assistant</p> <p>20 noticing a disclosure statement that was signed by you?</p> <p>21 A. No, sir. I do not recall noticing a</p> <p>22 disclosure statement.</p> <p>23 Q. So if you did, you don't know where it is.</p> <p>24 A. Correct.</p> <p>25 Q. All right.</p>	<p style="text-align: right;">52</p> <p>1 A. It is a statement of facts.</p> <p>2 Q. Is it in affidavit style?</p> <p>3 A. Yes, sir.</p> <p>4 Q. Okay.</p> <p>5 A. It's not notarized, but it's affidavit style.</p> <p>6 Q. Do you understand under the federal rules you</p> <p>7 don't need to notarize a declaration?</p> <p>8 A. Yes, sir, I do now understand that.</p> <p>9 Q. Okay. And that is filed in this case.</p> <p>10 A. Yes, sir.</p> <p>11 Q. All right. Let's look at that just a moment.</p> <p>12 You said on page 1 at the bottom, "My husband Bob</p> <p>13 Gibbins, now deceased, and I invested in the Stanford</p> <p>14 Financial Group of companies." We've already gone over</p> <p>15 that, haven't we?</p> <p>16 A. Yes, sir.</p> <p>17 Q. "For approximately 18 years, Nigel Bowman had</p> <p>18 been our trusted financial advisor at Smith Barney,"</p> <p>19 right?</p> <p>20 A. Correct.</p> <p>21 Q. Did you meet Allen Stanford?</p> <p>22 A. Yes, sir.</p> <p>23 Q. You took a trip to Antigua, didn't you?</p> <p>24 A. I did.</p> <p>25 Q. And your friends, the Gales?</p>
<p style="text-align: right;">51</p> <p>1 MR. COWLES: You got the next one? Okay.</p> <p>2 MR. ISRAELOFF: 8.</p> <p>3 MR. COWLES: Well, I don't have a sticker</p> <p>4 on it.</p> <p>5 MR. ISRAELOFF: I don't either.</p> <p>6 MR. COWLES: We don't need to introduce</p> <p>7 it. It's the declaration anyway.</p> <p>8 Q. (BY MR. COWLES) So I'm just going to hand you</p> <p>9 this document.</p> <p>10 MR. COWLES: Give them one.</p> <p>11 MR. ISRAELOFF: I did.</p> <p>12 MR. COWLES: It shouldn't be in evidence</p> <p>13 anyhow.</p> <p>14 Q. (BY MR. COWLES) Do you recognize this</p> <p>15 document?</p> <p>16 A. Yes, sir, I do.</p> <p>17 Q. It is a declaration of Pam Reed.</p> <p>18 A. Correct.</p> <p>19 Q. You know who that is.</p> <p>20 A. I remember that one.</p> <p>21 Q. Okay. For the nonlawyers, what's a</p> <p>22 declaration? You are a lawyer.</p> <p>23 A. Well, I'm not practicing. I'm a recovering</p> <p>24 lawyer. I haven't practiced in a long time.</p> <p>25 Q. Okay.</p>	<p style="text-align: right;">53</p> <p>1 A. The Gales.</p> <p>2 Q. Gales?</p> <p>3 A. Yes, sir.</p> <p>4 Q. The Gales went with you? And you flew down</p> <p>5 there on his executive jet?</p> <p>6 A. Yes, sir.</p> <p>7 Q. Spent two or three days there?</p> <p>8 A. I think it was two and a half. Yes, two and a</p> <p>9 half, three days.</p> <p>10 Q. And during that time you did actually meet</p> <p>11 Stanford himself.</p> <p>12 A. I did.</p> <p>13 Q. Did you have any discussion about the CDs with</p> <p>14 him down there?</p> <p>15 A. No, sir.</p> <p>16 Q. Mr. Bowman rode with you, didn't he?</p> <p>17 A. Yes, sir.</p> <p>18 Q. All right. Look at paragraph six just a</p> <p>19 moment.</p> <p>20 A. (The witness complied.)</p> <p>21 Q. This is your declaration, affidavit if you</p> <p>22 want to call it that. "In making decisions to invest</p> <p>23 in the SIBL CDs, I received and reviewed various</p> <p>24 Stanford financial and marketing materials and</p> <p>25 brochures regarding SIBL and Stanford Financial as a</p>

14 (Pages 50 to 53)

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000078

Pamela G. Reed

<p style="text-align: right;">54</p> <p>1 whole, including materials that described Stanford as a 2 Houston, Texas based financial services conglomerate." 3 Is that a correct and true statement? Did you receive 4 financial and marketing materials and brochures 5 regarding SIBL when you were considering making an 6 investment in the CDs? 7 A. Yes, sir. 8 Q. You did. 9 A. Yes, sir. 10 Q. Do you have a single one of those anywhere? 11 A. Everything that we have we've turned over to 12 Mr. Snyder. 13 Q. The reason I'm asking you is we tried to go 14 through every single thing and I haven't seen one. I 15 just wondered if -- you had a time when you kind of 16 threw things -- 17 A. I sure did. 18 Q. -- away when you got mad. 19 A. Yes, sir, I did. 20 Q. Do you know whether you might have thrown away 21 disclosure statements, subscription agreements? 22 A. I don't -- I have no idea what I threw away. 23 Q. Brochures, anything like that? 24 A. I don't know. 25 Q. Okay. "We were told that our CDs and</p>	<p style="text-align: right;">56</p> <p>1 those investigations were, -- 2 A. No, sir. 3 Q. -- those specific ones? 4 A. No, sir. 5 Q. Okay. 6 MR. SNYDER: That's all the documents? 7 MR. COWLES: Yeah. 8 MR. SNYDER: Cool. 9 MR. COWLES: Why not? Do you want me to 10 go get 50 more? I can. 11 MR. SNYDER: I sure don't. Unless you 12 want to go ahead and get into the merits of the case 13 and then, you know -- 14 MR. COWLES: I don't play the dancing 15 game of merits and class. 16 MR. SNYDER: It's a fine -- it's a fine 17 line. 18 MR. COWLES: Yeah. 19 (Discussion out of the hearing of the 20 reporter.) 21 Q. (BY MR. COWLES) I'm going to hand you -- I'm 22 not having it marked. I'm handing it to you to look 23 at. 24 A. Okay. 25 Q. Check a couple of things on -- it's your</p>
<p style="text-align: right;">55</p> <p>1 investments had the same government protections as any 2 investment we had at Smith Barney." Mr. Bowman told 3 you that? 4 A. Yes, sir. 5 Q. Paragraph seven, "No one at Stanford ever 6 informed me that Stanford was under investigation by 7 the U.S. Government." When are you talking about, an 8 investigation by the U.S. Government? When? 9 A. That they had been under investigation by the 10 U.S. Government at any time. 11 Q. Do you know -- from 1990 or '91 up until 2007, 12 do you know whether they were under investigation or 13 not? 14 A. I don't know exactly when, but from things 15 I've read going forward, I know that they were under 16 many investigations during that time probably. 17 Q. And do you know what the investigations were 18 for at that time? 19 A. No, sir. 20 Q. Have you ever read that they were under 21 investigation for drug money laundering, 22 Allen Stanford was? 23 A. I've read all these things since all this 24 happened, yes. 25 Q. Yeah. Do you know what the conclusion of</p>	<p style="text-align: right;">57</p> <p>1 deposition in Proskauer. 2 A. Yes, sir. 3 Q. By the way, do you happen to know how many of 4 these lawsuits you are a representative plaintiff in? 5 A. Three. 6 Q. Three? 7 A. Three? Yes. 8 Q. He doesn't know. 9 MR. SNYDER: Well, one settled. BDO 10 settled, so she's no longer really a class 11 representative on that one. 12 A. Thank you. 13 Q. (BY MR. COWLES) That's a copy of your 14 deposition in the Proskauer case taken February 5th, 15 2015, this year. 16 A. Yes, sir. 17 Q. Okay. I'm going to try to just make this as 18 short as possible, because the people down there want 19 to get after you. Excuse me, want to ask you a few 20 questions. 21 A. Okay. 22 Q. Do you have -- let me ask you one other thing. 23 I asked you if you had any of those documents, 24 disclosures, subscription, questionnaire, brochure, and 25 you said, no, you don't recall having any of those.</p>

15 (Pages 54 to 57)

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000079

Pamela G. Reed

<p style="text-align: right;">66</p> <p>1 A. I believe I accepted what Mr. Bowman told us.</p> <p>2 Q. Okay. Have you ever seen -- excuse me. Did</p> <p>3 you ever see before making this investment or before</p> <p>4 2009 any document with the name Greenberg Traurig on</p> <p>5 involving these CDs?</p> <p>6 A. Yes, sir. I don't remember whether I did or</p> <p>7 not.</p> <p>8 Q. Did you ever see any document with the name</p> <p>9 Carlos Loumici on it, the same frame of 2009?</p> <p>10 A. I don't remember if I did or not.</p> <p>11 Q. Do you recall anybody, Bowman or -- Nigel</p> <p>12 Bowman or anybody else giving you any information</p> <p>13 from -- that originated with the law firm Greenberg</p> <p>14 Traurig or the lawyer Carlos Loumici at all?</p> <p>15 A. I don't remember.</p> <p>16 MR. COWLES: Q-1 anything else?</p> <p>17 MR. ISRAELOFF: No.</p> <p>18 MR. COWLES: One last look, because I've</p> <p>19 got five more minutes.</p> <p>20 MR. BUNCHER: You're setting your own</p> <p>21 time limits, huh?</p> <p>22 MR. COWLES: What?</p> <p>23 MR. BUNCHER: You're setting your own</p> <p>24 time limits.</p> <p>25 MR. COWLES: Yes, I always do.</p>	<p style="text-align: right;">68</p> <p>1 Hunton & Williams.</p> <p>2 EXAMINATION</p> <p>3 BY MS. BISHOP:</p> <p>4 Q. Now, Ms. Reed, Mr. Cowles asked you earlier</p> <p>5 about the deposition testimony that you gave in the</p> <p>6 Proskauer litigation. And have you had a chance to</p> <p>7 review that testimony since you gave it?</p> <p>8 A. I have.</p> <p>9 Q. And did you see anything in there that looked</p> <p>10 wrong or that needed to be corrected?</p> <p>11 A. I don't think so.</p> <p>12 Q. And when were you asked to serve as a class</p> <p>13 representative in this case?</p> <p>14 A. A few weeks ago.</p> <p>15 Q. Do you know about when that was, like the</p> <p>16 month maybe?</p> <p>17 A. It was probably either the end of October,</p> <p>18 sometime in there, November.</p> <p>19 Q. Okay. Would it refresh your recollection if</p> <p>20 I showed you a copy of the motion asking the court --</p> <p>21 A. It probably would. Thank you.</p> <p>22 (Deposition Exhibit 8 marked.)</p> <p>23 Q. (BY MS. BISHOP) This is Defendants' 8.</p> <p>24 A. Thank you.</p> <p>25 MR. SNYDER: Thanks.</p>
<p style="text-align: right;">67</p> <p>1 MR. BUNCHER: I like that.</p> <p>2 MR. SNYDER: That's great.</p> <p>3 MR. COWLES: Why diddle around? To be</p> <p>4 honest, I would have taken a little bit longer in other</p> <p>5 stuff had Ms. Reed not been under the gun to catch that</p> <p>6 flight.</p> <p>7 THE WITNESS: Thank you.</p> <p>8 MR. COWLES: But I think it would just be</p> <p>9 repetitious.</p> <p>10 MR. BUNCHER: That's a pretty long</p> <p>11 deposition you've got sitting right there.</p> <p>12 MR. COWLES: Yeah, and I've got a lot of</p> <p>13 markings in it too.</p> <p>14 MR. SNYDER: And like I said, Jim, y'all</p> <p>15 are free to file that today.</p> <p>16 MR. COWLES: I understand. I appreciate</p> <p>17 that. I'm going to pass the witness.</p> <p>18 MR. SNYDER: Can we take a quick break?</p> <p>19 MR. VAIL: Yes, of course, please.</p> <p>20 THE VIDEOGRAPHER: We're off the record</p> <p>21 at 10:34 a.m.</p> <p>22 (Recess taken.)</p> <p>23 THE VIDEOGRAPHER: We're on the record at</p> <p>24 10:53.</p> <p>25 MS. BISHOP: This is Laura Bishop for</p>	<p style="text-align: right;">69</p> <p>1 Q. (BY MS. BISHOP) And if you can flip to page</p> <p>2 3 -- or page 4 of this document. Sorry, bottom of page</p> <p>3 3. And you see the -- this is a motion asking the</p> <p>4 court to substitute you as a class representative in</p> <p>5 this litigation?</p> <p>6 A. Yes.</p> <p>7 Q. And do you see the September --</p> <p>8 A. September, yes. Thank you.</p> <p>9 Q. And so based on this document, when do you</p> <p>10 think you were asked to serve as a class</p> <p>11 representative?</p> <p>12 A. It was probably shortly before that. So</p> <p>13 sometime in August most likely.</p> <p>14 Q. Okay. And who asked you to serve as a class</p> <p>15 representative?</p> <p>16 A. Mr. Snyder.</p> <p>17 Q. And why did you agree to serve?</p> <p>18 A. Because I feel like it's important that we</p> <p>19 have somebody representing us, the class, who cares</p> <p>20 what's going on with everyone in the class and is</p> <p>21 interested and has the time to do it.</p> <p>22 Q. And how much time have you put into this case</p> <p>23 since you agreed to serve?</p> <p>24 A. I have probably put about ten hours into this.</p> <p>25 It's been short from the time that I became a class</p>

18 (Pages 66 to 69)

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000080

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70	72
<p>1 representative until now.</p> <p>2 Q. And what did you do during those ten hours?</p> <p>3 A. I have reviewed the initial petition, I have</p> <p>4 looked at my deposition in the Praskauer case, and I</p> <p>5 looked at the motion to create the class.</p> <p>6 Q. And did you prepare a declaration for this</p> <p>7 case?</p> <p>8 A. I believe I did. I believe that's what we</p> <p>9 went through earlier, yes.</p> <p>10 Q. And how much time did you spend putting</p> <p>11 together that declaration?</p> <p>12 A. I would say an hour or so.</p> <p>13 Q. And did you work with anyone to prepare that?</p> <p>14 A. Mr. Snyder.</p> <p>15 Q. And what did you do to work with Mr. Snyder?</p> <p>16 Did you have a telephone call or did you meet in</p> <p>17 person?</p> <p>18 A. No, it would have been a telephone call.</p> <p>19 Q. And did you do anything to respond to</p> <p>20 interrogatories in this case?</p> <p>21 A. I have talked to Mr. Snyder about them, but</p> <p>22 haven't done anything personally.</p> <p>23 Q. Did you review the interrogatory responses</p> <p>24 that were served in this case?</p> <p>25 A. I'm not sure if I've seen those or not.</p>	<p>1 the case?</p> <p>2 A. I heard the style of the case and I knew that</p> <p>3 it existed, yes.</p> <p>4 Q. And when did you first become aware of the</p> <p>5 case?</p> <p>6 A. I have been following all cases that have been</p> <p>7 filed in relation to Stanford in terms of knowing that</p> <p>8 they existed. So whenever it was filed, I knew that it</p> <p>9 existed.</p> <p>10 Q. And do you know who the other class</p> <p>11 representatives are in this case?</p> <p>12 A. I know that Jorge is one and I'm not sure who</p> <p>13 the other one is.</p> <p>14 Q. Does Samuel Troice ring a bell?</p> <p>15 A. Yes.</p> <p>16 Q. So is he another class representative?</p> <p>17 A. Yes.</p> <p>18 Q. And have you met Mr. Troice before?</p> <p>19 A. I have not.</p> <p>20 Q. And have you met Jorge Salgado before today?</p> <p>21 A. Yes.</p> <p>22 Q. And when had you met Mr. Salgado?</p> <p>23 A. Last night.</p> <p>24 Q. And did you speak with Mr. Salgado last night?</p> <p>25 A. A little, yes.</p>
71	73
<p>1 Q. And there were also responses to document</p> <p>2 requests that were served in this case. Did you review</p> <p>3 those?</p> <p>4 A. I believe I went over those with Mr. Snyder.</p> <p>5 Q. Okay. And was everything in the document</p> <p>6 responses correct, to the best of your knowledge?</p> <p>7 A. To the best of my knowledge, yes.</p> <p>8 Q. And what did you do to prepare for today's</p> <p>9 deposition?</p> <p>10 A. I -- as I said, I went over the documents that</p> <p>11 have been filed, I looked at my deposition, and I met</p> <p>12 with Mr. Snyder.</p> <p>13 Q. Okay. And how much time did you spend to</p> <p>14 prepare for today's deposition?</p> <p>15 A. Probably -- well, in reading everything --</p> <p>16 well, a couple of hours, and then I met with Mr. Snyder</p> <p>17 for about an hour.</p> <p>18 Q. And is that in addition to the ten hours of</p> <p>19 preparation you mentioned earlier or is that included?</p> <p>20 A. It's inclusive.</p> <p>21 Q. And who was present for the preparation</p> <p>22 session with Mr. Snyder? Was there anyone else there?</p> <p>23 A. No, just the two of us.</p> <p>24 Q. And before you agreed to serve as a class</p> <p>25 representative in this litigation, were you aware of</p>	<p>1 Q. And did you discuss this case?</p> <p>2 A. I didn't, no.</p> <p>3 Q. And was counsel present during that</p> <p>4 discussion?</p> <p>5 A. Yes.</p> <p>6 Q. Was there anybody else present?</p> <p>7 A. Yes, Jorge's grandson, Jorge.</p> <p>8 Q. And did you discuss anything related to</p> <p>9 Stanford during that discussion?</p> <p>10 A. I think -- I did not do much discussion last</p> <p>11 night with all of them. They were all speaking</p> <p>12 Spanish.</p> <p>13 Q. And did you understand what was being said?</p> <p>14 A. I understood some of it, yes.</p> <p>15 Q. And was any of what you understood related to</p> <p>16 Stanford?</p> <p>17 A. Some of it was, yes.</p> <p>18 Q. And what -- what was discussed that was</p> <p>19 related to Stanford?</p> <p>20 A. I think they were discussing how Jorge had</p> <p>21 initially been enticed to buy CDs and that was just</p> <p>22 about all I got. Then we wandered on to other things.</p> <p>23 Q. And about how long did that discussion last?</p> <p>24 A. Probably about 20 minutes.</p> <p>25 Q. And did you discuss any particular individuals</p>

19 (Pages 70 to 73)

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000081

Pamela G. Reed

<p style="text-align: right;">78</p> <p>1 that information correct?</p> <p>2 A. Yes.</p> <p>3 Q. And so Mr. Cowles also asked you about a trip</p> <p>4 that you took to Antigua --</p> <p>5 A. Yes.</p> <p>6 Q. -- during the deposition earlier. And when</p> <p>7 did that trip take place?</p> <p>8 A. We have it somewhere. I believe it was in</p> <p>9 2008.</p> <p>10 Q. Does February 2008 sound right?</p> <p>11 A. Thank you. Yes.</p> <p>12 Q. And who else went on that trip with you?</p> <p>13 A. Mr. Bowman, Michael and Lars Gale and Carol</p> <p>14 McCann.</p> <p>15 Q. I'm going to hand you what's marked</p> <p>16 Defendants' Exhibit 9.</p> <p>17 (Deposition Exhibit 9 marked.)</p> <p>18 A. Okay. Should I put these away? Are we done?</p> <p>19 Q. (BY MS. BISHOP) Yeah, we're done with those.</p> <p>20 And is this document familiar to you?</p> <p>21 A. I think these are the -- this is the itinerary</p> <p>22 from that trip.</p> <p>23 Q. Okay. And if you can flip to page 2.</p> <p>24 A. I'm not flipping -- there.</p> <p>25 Q. And it has a list of passengers there?</p>	<p style="text-align: right;">80</p> <p>1 A. -- her, yes.</p> <p>2 Q. And had you ever discussed Stanford CDs with</p> <p>3 Mrs. Schurig before the trip?</p> <p>4 A. I'm not sure if I had before the trip or not.</p> <p>5 Q. And did you know Mrs. Beckett before the trip?</p> <p>6 A. I did.</p> <p>7 Q. And had you ever discussed Stanford CDs with</p> <p>8 Mrs. Beckett before this trip?</p> <p>9 A. I don't know if I had before this trip or not.</p> <p>10 Q. Is it possible that you might have?</p> <p>11 A. It's possible, but I'm not sure.</p> <p>12 Q. Okay. Under what circumstances do you think</p> <p>13 you might have discussed it?</p> <p>14 A. I can't -- can't postulate. I don't know that</p> <p>15 I did or not.</p> <p>16 Q. Okay. Did you ever talk about your</p> <p>17 investments in Stanford CDs with other people you knew?</p> <p>18 A. Not really, no.</p> <p>19 Q. And why not?</p> <p>20 A. Because I didn't talk about my investments</p> <p>21 with people particularly.</p> <p>22 Q. And did you talk about Mr. Bowman ever with</p> <p>23 people you knew?</p> <p>24 A. Yes, I did.</p> <p>25 Q. And what would you say about Mr. Bowman?</p>
<p style="text-align: right;">79</p> <p>1 A. Yes.</p> <p>2 Q. And does that -- does that passenger list look</p> <p>3 accurate --</p> <p>4 A. It does.</p> <p>5 Q. -- as to who was on the trip?</p> <p>6 A. Also Elizabeth Schurig and Carolyn Beckett</p> <p>7 were on the trip.</p> <p>8 Q. Okay. And how were you invited to go on the</p> <p>9 trip?</p> <p>10 A. Mr. Bowman invited me to go.</p> <p>11 Q. And do you know how the Gales were invited?</p> <p>12 A. They were considering purchasing CDs, and I</p> <p>13 think that was why he invited them.</p> <p>14 Q. Okay. So did the invitation come from you or</p> <p>15 from Nigel?</p> <p>16 A. Oh, from Mr. Bowman. He invited everyone.</p> <p>17 Q. Okay. And did you know the Gales at that</p> <p>18 time?</p> <p>19 A. I met them on this trip.</p> <p>20 Q. Okay. And do you know how Mrs. Schurig was</p> <p>21 invited?</p> <p>22 A. Again, Mr. Bowman invited everyone.</p> <p>23 Q. And did you know Mrs. Schurig before --</p> <p>24 A. I did know --</p> <p>25 Q. -- that trip?</p>	<p style="text-align: right;">81</p> <p>1 A. That he was really good and that we had</p> <p>2 appreciated working with him.</p> <p>3 Q. And did you ever recommend to anyone you knew</p> <p>4 that they work with Mr. Bowman?</p> <p>5 A. I did.</p> <p>6 Q. And did you recommend that when he was at</p> <p>7 Smith Barney or when he was with Stanford or at both?</p> <p>8 A. I know I did at Smith Barney and I cannot --</p> <p>9 I'm not sure if I did at Stanford or not.</p> <p>10 Q. Do you know if anyone that you recommended to</p> <p>11 work with Mr. Bowman did, in fact, work with Mr. Bowman</p> <p>12 as a financial advisor?</p> <p>13 A. I think some people did when he was at</p> <p>14 Smith Barney.</p> <p>15 Q. And about how many people would you guess that</p> <p>16 was?</p> <p>17 A. Maybe two.</p> <p>18 Q. And do you know how many clients Mr. Bowman</p> <p>19 had?</p> <p>20 A. I have no idea.</p> <p>21 Q. And who is it that you recommended to work</p> <p>22 with Mr. Bowman --</p> <p>23 A. Oh, gosh.</p> <p>24 Q. -- who may have?</p> <p>25 A. I have no idea who it was, who the names were.</p>

21 (Pages 78 to 81)

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000082

Pamela G. Reed

<p style="text-align: right;">10</p> <p>1 Q. All right. B5. "In February 2008 before 2 their CDs matured the FA, financial advisor, invited 3 Gibbins and Reed to visit SIBL in Antigua." Is that 4 correct? 5 A. Yes, sir. 6 Q. Reed met with Allen Stanford and SIBL 7 president Juan Rodriguez Tollino -- how do you 8 pronounce that? 9 MR. SNYDER: Tolentino. 10 MR. COWLES: Tolentino. 11 Q. (BY MR. COWLES) -- "who provided Reed with a 12 tour of SIBL, and once again assured Reed that SIBL's 13 CDs were in an entirely safe and liquid product." 14 Those facts are true, are they not? 15 A. Yes, sir. 16 Q. All right. Paragraph B1. "Upon their return 17 from Antigua, financial advisor sought to convince 18 Gibbins and Reed to roll over and reinvest their 19 SIBL CD proceeds into new SIBL CDs when the CDs matured 20 in May of 2008." So in May when they matured you 21 rolled them over into new CD-; is that correct? 22 A. I believe we did, yes. 23 Q. "During these discussions near the end of 24 April of early May 2008, financial advisor, one, 25 reaffirmed the safety, security and low risk of the</p>	<p style="text-align: right;">12</p> <p>1 named Nigel Bowman, wasn't he? 2 A. Yes, sir. 3 Q. You had known him a long time. 4 A. Yes, sir. 5 Q. He was a friend. 6 A. Yes, sir. 7 Q. And I assume you had great respect for his 8 ability as a financial advisor. 9 A. I did. We both did. 10 Q. And he did change from Smith Barney to 11 Stanford Group Companies in May 2007. 12 A. I believe that was the date, yes. Uh-huh. 13 Q. I think it is. 14 A. (Witness nods head.) 15 Q. And you and your husband changed with him and 16 moved your investment funds to Stanford, right? 17 A. Yes, sir. 18 Q. Let me hand you what's been marked Defendants' 19 Exhibit 2. Ask you if you recognize that as the 20 agreement with Stanford Group Company and you and your 21 husband? 22 A. It purports to be, yes. 23 Q. Did you read the agreement when it was first 24 presented to you? 25 A. I'm sure I skimmed it. I don't know if I read</p>
<p style="text-align: right;">11</p> <p>1 SIBL CDs"; is that correct? 2 A. Yes, sir. 3 Q. "Reiterated that the SIBL CDs were insured 4 against the loss"; is that correct? 5 A. Yes, sir. 6 Q. "And represented that SIBL CDs were completely 7 backed by SIBL assets, which had been audited by an 8 international audit firm." Correct fact as you 9 understand it? 10 A. At I remember it, yes, sir. 11 Q. And the last paragraph we're going to talk 12 about here, B7. "In May 2008 as a result of their 13 financial advisor's misrepresentations about the safety 14 and low risk of SIBL CDs, Gibbins and Reed rolled over 15 and reinvested proceeds from their maturing SIBL CDs to 16 purchase new SIBL CDs. The new SIBL CDs were issued in 17 their names jointly and Reed invested an additional 18 300,000 into SIBL CDs." Are those matters in your 19 first amended class action complaint in the BDO case -- 20 as far as you know and understand they were correct? 21 A. Yes, sir, as far as I know and understand. 22 Q. Thank you. So you moved the investment funds 23 from Smith Barney to Stanford Group Company. 24 A. Yes, sir. 25 Q. The financial advisor at that time was a man</p>	<p style="text-align: right;">13</p> <p>1 It or not. 2 Q. It's got a lot of small print, doesn't it? 3 A. Correct. 4 Q. Would you look over on page 3 under capital 5 B -- paragraph capital B entitled "Financial Advisor"? 6 See that? 7 A. Yes, sir. 8 Q. And I think I have it highlighted on here, do 9 I not? 10 A. No, sir. 11 MR. SNYDER: I think mine does. Here you 12 go. Gave me the wrong one. 13 A. On page 3? 14 Q. (BY MR. COWLES) Yeah, right here is the 15 three. 16 A. Uh-huh. It's not highlighted on this one 17 either. But it's B, financial advisor; is that 18 correct? 19 Q. Let's try this one. Now, did you find it, 20 B, entitled, "Financial Advisor"? Well, you can read 21 it without it being highlighted. Look at B. 22 A. Yes, sir. 23 Q. It states, does it not, that, "Stanford's 24 financial advisors will be available to meet with the 25 client" -- client would be your and your husband,</p>

4 (Pages 10 to 13)

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000083

Samuel Troice

1

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

RALPH S. JANVEY, ET AL., *
 *
 Plaintiffs, *
 *
VS. * CIVIL ACTION NO.
 * 3:12cv4641-N
 *
GREENBERG TRaurig, LLP; *
HUNTON & WILLIAMS, LLP; AND*
YOLANDA SUAREZ, *
 *
 Defendants. *

ORAL AND VIDEOTAPED DEPOSITION OF
SAMUEL TROICE
DECEMBER 14, 2015

ORAL AND VIDEOTAPED DEPOSITION of
SAMUEL TROICE, produced as a witness at the instance of
the Defendants Greenberg Traurig, LLP, and Hunton &
Williams, LLP, and duly sworn, was taken in the
above-styled and numbered cause on the 14th day of
December, 2015, from 8:36 a.m. to 11:12 a.m., before
Brenda R. Gardner, CSR in and for the State of Texas,
reported by machine shorthand, at the offices of
Strasburger & Price, LLP, 901 Main Street, Suite 4400,
in the City of Dallas, Dallas County, Texas, pursuant
to the Federal Rules and the provisions stated on the
record or attached hereto.

DepoTexas, Inc.

000084

Samuel Troice

<p style="text-align: right;">54</p> <p>1 under investigation many years ago but that no charges 2 were filed, would you have invested with Stanford? 3 THE INTERPRETER: I'm sorry, "charges" 4 about what? Or just "charges," like that, or under 5 someone, or just like that? 6 MR. ISRAELOFF: Just like that. 7 THE INTERPRETER: Okay. 8 MR. SNYDER: Objection, calls for 9 speculation. 10 I think you're messing up the 11 translation. 12 I think she's saying that they did 13 have charges against them. Do you want to reask the 14 question? 15 Q. (BY MR. ISRAELOFF) If you were told that 16 Stanford International Bank was investigated to 17 determine if it was engaged in drug-money laundering 18 many years ago but that no money laundering was found, 19 would you still have invested? 20 A. If I had learned that they had been under 21 any kind of investigation, right then or before, 22 previously, by any agency, no, I'd have not done it. 23 Q. Do you know whether any of your current five 24 banks have ever been under government investigation? 25 A. No, I don't know.</p>	<p style="text-align: right;">56</p> <p>1 A. I didn't know that it was since that date. 2 I would have not made any investments. I learned about 3 this -- I learned that they were under investigation 4 when everything came out. 5 Q. Do you now know that the SEC had concerns 6 about Stanford International Bank since the year 1997? 7 A. I didn't know about the date, but now I 8 learned that it has been a while. 9 Q. Do you understand that in all those years, 10 the SEC took no action to close down Stanford 11 International Bank? 12 A. Yes, I did learn about it. 13 Q. If you were allowed to sue the SEC for the 14 Stanford problems, would you do that? 15 A. If I could, if I had the documents and -- 16 and I would see a possibility to win, possible. 17 Q. Let me ask you about "rollovers." Do you 18 understand what that term means? 19 A. Not exactly. 20 Q. The CDs you purchased from Stanford, do you 21 understand that when they matured, if you did nothing, 22 they would automatically roll over into a new CD? 23 A. Yes. 24 Q. Is that something that you used, that is, 25 automatic rollovers?</p>
<p style="text-align: right;">55</p> <p>1 Q. Have you investigated to find out if any of 2 those five banks have ever been under government 3 investigation? 4 A. No. 5 Q. Do you understand, from your work in this 6 lawsuit, that Stanford International Bank was 7 investigated by the Securities and Exchange Commission? 8 MR. SNYDER: "Securities and 9 Exchange." 10 A. Yes, I did learn about it through all this 11 process. Yes, I did. 12 Q. (BY MR. ISRAELOFF) What do you now 13 understand the Securities and Exchange Commission did? 14 A. To possess the offices in Houston and Miami, 15 review the documents, make a process for Stanford, -- 16 MR. SNYDER: Allen Stanford. 17 A. -- Allen Stanford -- 18 (Reporter clarification.) 19 A. -- and determine that this has been a fraud. 20 Q. (BY MR. ISRAELOFF) Do you understand that 21 the "SEC" -- can I use that term for the Securities and 22 Exchange Commission? 23 A. Yes. 24 Q. Do you now understand that the SEC was aware 25 that Stanford might be a fraud as early as 1997?</p>	<p style="text-align: right;">57</p> <p>1 A. "Rollover," like to renew? 2 Q. Yes. 3 A. Yes. 4 Q. A number of your Stanford CDs were 5 automatically renewed, were they not? 6 A. Yes. 7 Q. Why did you allow your CDs to roll over and 8 renew? 9 A. Number one, because the money that I had 10 there was for one specific need, and I didn't need it 11 in that moment. 12 Q. What was the specific need? 13 A. Medical expenses for my daughter. 14 Q. Was it your plan to let each CD 15 automatically renew until you needed the money for your 16 daughter's medical care? 17 A. Yes. 18 Q. Each time one of your CDs automatically 19 renewed, did it renew as another CD? 20 A. Let me explain it with -- you know, a little 21 bit longer. Okay. I did my investment in Stanford, 22 okay. The movements that they will do about the CDs -- 23 there was a movement with the CDs with different 24 accounts. Okay. The CDs will go -- the money will go 25 to one CD, and then they will move it into another</p>

15 (Pages 54 to 57)

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000085

Samuel Troice

58	60
<p>1 account.</p> <p>2 The only thing that I asked to Nanes</p> <p>3 is to be able to have liquidity whenever I would</p> <p>4 request — whenever I would request anything that I</p> <p>5 would need for my daughter's medical expenses.</p> <p>6 Okay. So the topic about it, without</p> <p>7 talking too much, it was an accident; that's all for my</p> <p>8 daughter. So I needed the money. I needed it —</p> <p>9 today. These expenses are every day and for life.</p> <p>10 Q. I forgot to ask you: Do you have an</p> <p>11 occupation, or do you work at a business or trade</p> <p>12 today?</p> <p>13 A. Yes. I have my own business.</p> <p>14 Q. What is that?</p> <p>15 A. It's a paint factory.</p> <p>16 Q. Does the company have a company name?</p> <p>17 A. Yes.</p> <p>18 Q. What is the paint factory's name?</p> <p>19 A. Do you want me to give it to you in English?</p> <p>20 Q. Please.</p> <p>21 THE WITNESS: (In English) It is</p> <p>22 Industrial — Industrial, I-N-D-U-S-T-R-I-A-L,</p> <p>23 Industrial, T-E-C-N-I-C-A, D-E, Pinturas, P-I-N-T-U-A-S</p> <p>24 [sic]. Industrial Tecnica.</p> <p>25 MR. ISRAELOFF: Pintura — is it</p>	<p>1 English to Spanish.</p> <p>2 A. Yes.</p> <p>3 Q. (BY MR. ISRAELOFF) It also looks like one</p> <p>4 of these checks came from a bank called Hemisphere</p> <p>5 National Bank.</p> <p>6 A. Yes.</p> <p>7 Q. Do you still have bank accounts at either</p> <p>8 one of these banks?</p> <p>9 A. No.</p> <p>10 Q. Why not?</p> <p>11 A. Because the account is under my wife's name</p> <p>12 and she decided to switch banks for just — for</p> <p>13 comfortable.</p> <p>14 MR. JIMINEZ-EKMAN: To Wells Fargo,</p> <p>15 right?</p> <p>16 THE WITNESS: (In English) Yes.</p> <p>17 THE WITNESS: Can I take a break?</p> <p>18 MR. ISRAELOFF: Sure.</p> <p>19 MR. SNYDER: Oh, that's good. I need</p> <p>20 to go, too.</p> <p>21 VIDEOGRAPHER: Off the record, 10:46.</p> <p>22 (Recess.)</p> <p>23 VIDEOGRAPHER: Back on the record at</p> <p>24 10:52 for the start of tape number 3, the videotaped</p> <p>25 deposition of Samuel Troice.</p>
59	61
<p>1 "Pinturas"</p> <p>2 THE WITNESS: (In English) Pinturas.</p> <p>3 MR. ISRAELOFF: "Pinturas." Okay.</p> <p>4 THE WITNESS: (In English) Yes.</p> <p>5 "Pinturas."</p> <p>6 MR. ISRAELOFF: Thank you very much.</p> <p>7 THE WITNESS: (In English) like</p> <p>8 Sherwin-Williams. Not as small as Sherwin-Williams.</p> <p>9 MR. ISRAELOFF: Yes.</p> <p>10 THE INTERPRETER: Did you get it?</p> <p>11 I'll give it to you.</p> <p>12 Q. (BY MR. ISRAELOFF) When you made your</p> <p>13 investments in 2001, I saw copies of some checks from</p> <p>14 Chase. Did you have accounts with Chase at that time?</p> <p>15 A. I don't remember the dates, but I remember</p> <p>16 in a certain time I had an account with them.</p> <p>17 (Deposition Exhibit 5 marked.)</p> <p>18 Q. (BY MR. ISRAELOFF) Exhibit Number 5 is a</p> <p>19 copy of one of the documents that your lawyers provided</p> <p>20 in this lawsuit. Do you recognize these two checks?</p> <p>21 THE INTERPRETER: Si.</p> <p>22 MR. SNYDER: In English.</p> <p>23 THE INTERPRETER: Sorry. He said</p> <p>24 "yes."</p> <p>25 MR. ISRAELOFF: You translated from</p>	<p>1 Q. (BY MR. ISRAELOFF) I am not sure I</p> <p>2 understood what you were saying earlier about hearing</p> <p>3 the name Carlos Loumiet. In what type of conversation</p> <p>4 did you hear that name?</p> <p>5 A. It was an informal conversation with David</p> <p>6 Nanes.</p> <p>7 Q. Did that conversation have to do with</p> <p>8 Stanford CDs?</p> <p>9 A. No. No.</p> <p>10 Q. Okay. I have seen reference in this case to</p> <p>11 a Stanford business in Mexico with the name Stanford</p> <p>12 Bolsa y Banca, S.A. Did you ever have any dealings</p> <p>13 with that group?</p> <p>14 MR. SNYDER: And let me just object,</p> <p>15 Sim. I think you got confused. I think that's</p> <p>16 Ecuador. I don't think that's Mexico.</p> <p>17 MR. ISRAELOFF: Well, —</p> <p>18 MR. SNYDER: There's a Stanford Fundos</p> <p>19 in Mexico.</p> <p>20 Q. (BY MR. ISRAELOFF) Do you have any</p> <p>21 knowledge about a company called Stanford Bolsa y</p> <p>22 Banca?</p> <p>23 A. No.</p> <p>24 Q. Mr. Nanes' business card says he was with a</p> <p>25 company called Stanford Group Mexico, S.A. de C.V. Do</p>

16 (Pages 58 to 61)

DepoTexas, Inc.

000086

Jorge Salgado

1

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

RALPH S. JANVEY, et al.,)	
)	
Plaintiffs,)	
)	
vs.)	CIVIL ACTION
)	NO.
GREENBERG TRAUIG, LLP, HUNTON &)	3:12cv-4641-N
WILLIAMS, LLP; and YOLANDA)	
SUAREZ,)	
)	
Defendants.)	

ORAL AND VIDEOTAPED DEPOSITION OF
JORGE SALGADO
December 4, 2015

ORAL DEPOSITION of JORGE SALGADO, produced as a witness the instance of the Defendant Hunton & Williams, and duly sworn, was taken in the above styled and numbered cause on December 4, 2015, from 8:32 a.m. to 2:07 p.m., before Jeff L. Foster, a Certified Shorthand Reporter in and for the State of Texas, at the offices of Strasburger & Price, 901 Main Street, Suite 4400, Dallas, Texas 75202, pursuant to the Federal Rules of Civil Procedure and the provisions stated on the record.

DepoTexas, Inc.

000087

Jorge Salgado

<p style="text-align: right;">38</p> <p>1 class representatives?</p> <p>2 A. No.</p> <p>3 Q. And do you know how many class representatives</p> <p>4 there are in this lawsuit?</p> <p>5 A. We are three.</p> <p>6 Q. And you mentioned that Ms. Pam —</p> <p>7 A. Well, three — well, no, four because there</p> <p>8 also exists a liquidator — liquidator.</p> <p>9 Q. And you mentioned you know Ms. Pam Reed. Have</p> <p>10 you met her before?</p> <p>11 A. No. We went to have dinner the day before,</p> <p>12 yesterday — yesterday when she had her deposition.</p> <p>13 Q. And if I told you the last class</p> <p>14 representative was Sam Trolce, does that sound right to</p> <p>15 you?</p> <p>16 MR. SNYDER: Samuel.</p> <p>17 MS. BISHOP: Samuel.</p> <p>18 MR. SNYDER: He doesn't go by Sam.</p> <p>19 (Pause.)</p> <p>20 MR. SNYDER: Trolce.</p> <p>21 THE INTERPRETER: Trolce.</p> <p>22 A. I don't know him.</p> <p>23 Q. (BY MS. BISHOP) So, Mr. Salgado, I'd like to</p> <p>24 talk with you about the formation of the Michoacan</p> <p>25 Trust.</p>	<p style="text-align: right;">40</p> <p>1 A. Yeah, she was living in Miami.</p> <p>2 Q. And you were in Mexico at that time?</p> <p>3 A. In Mexico. Yes, in Mexico.</p> <p>4 Q. And approximately what year was that?</p> <p>5 A. 2000 — well, no, it was at the end of the</p> <p>6 years 90s.</p> <p>7 Q. And how did Ms. Bautista come to be your</p> <p>8 broker?</p> <p>9 A. Because she moved from Sun Trust Bank to</p> <p>10 Stanford.</p> <p>11 Q. And was she your broker before she moved to</p> <p>12 Stanford?</p> <p>13 A. No. No.</p> <p>14 Q. And so why did she become your broker once she</p> <p>15 moved to Stanford?</p> <p>16 A. Because I have my personal check account in</p> <p>17 Sun Trust Bank and she invited me to make the</p> <p>18 investment.</p> <p>19 MR. COWLES: I maybe just can't hear it,</p> <p>20 but I never did hear a year. Was a year given?</p> <p>21 MR. BUNCHER: '90s, late '90s.</p> <p>22 MR. COWLES: Late '90s is what he said?</p> <p>23 Okay. Thank you.</p> <p>24 Q. (BY MS. BISHOP) And what year did</p> <p>25 Ms. Bautista move to Stanford?</p>
<p style="text-align: right;">39</p> <p>1 A. Correct.</p> <p>2 Q. And when was that created?</p> <p>3 A. When I didn't shape my investment, my broker</p> <p>4 assistant, he told me that it was necessary to create a</p> <p>5 trust. It was just like an invention, because really</p> <p>6 from the judicial way there's no such trust —</p> <p>7 Michoacan Trust.</p> <p>8 MR. SNYDER: Objection to the</p> <p>9 translation. Can you —</p> <p>10 A. Yes, for me I mentioned Michoacan Trust, like</p> <p>11 I could have said X. Because it was something</p> <p>12 necessary to make the investment.</p> <p>13 Q. (BY MS. BISHOP) And you said your broker</p> <p>14 assistant told you this?</p> <p>15 A. Yes, that I had to make a trust, but she</p> <p>16 didn't suggest the name.</p> <p>17 Q. And what was the name of your broker</p> <p>18 assistant?</p> <p>19 A. Mary Bautista, B-A-U-T-I-S-T-A.</p> <p>20 Q. And how did you meet Ms. Bautista?</p> <p>21 A. She was working for Sun Trust Bank. And I was</p> <p>22 working for this club, Royal Holiday Club. And we have</p> <p>23 an account in Miami at the Sun Trust Bank. So she was</p> <p>24 my contact to have operations or transactions.</p> <p>25 Q. And she was located in Miami?</p>	<p style="text-align: right;">41</p> <p>1 A. My understanding is that when she invited me</p> <p>2 to join it in 2001, she had been there only for a</p> <p>3 while.</p> <p>4 Q. Would that be for a few months or —</p> <p>5 A. No, I don't know.</p> <p>6 Q. And how long had you known Ms. Bautista before</p> <p>7 she moved to Stanford?</p> <p>8 A. Two, three years.</p> <p>9 Q. And did she handle your personal account at</p> <p>10 Sun Trust?</p> <p>11 A. Well, there was a group here in Sun Trust and</p> <p>12 they will assist me, you know, different people.</p> <p>13 Q. So how close was your relationship while she</p> <p>14 was at Sun Trust?</p> <p>15 A. She came to visit us in Mexico on one</p> <p>16 occasion, but that conversation would be frequently</p> <p>17 because of the business.</p> <p>18 Q. And when you said she came to visit you, was</p> <p>19 that to visit you personally or to visit your business?</p> <p>20 A. It was just a visit to the business and it was</p> <p>21 not maybe only to the club, but some other business.</p> <p>22 Q. And when was that visit?</p> <p>23 A. Around 2000.</p> <p>24 Q. And when did Ms. Bautista first contact you</p> <p>25 about investing in Stanford?</p>

11 (Pages 38 to 41)

DepoTexas, Inc.

000088

Jorge Salgado

<p style="text-align: right;">94</p> <p>1 percent — anyhow she has proof, because I have been 2 withdrawing the money. Because I did receive that 3 money. 4 Q. But the thing she told you about your 5 investments on that call weren't true, right? 6 A. Now I've come to realize it, that it was not. 7 But back those days she did assure me that that was 8 true. 9 Q. And did you ever speak to anyone else involved 10 with Stanford besides Mary Baulista? And to clarify my 11 question, did you ever speak with anyone involved with 12 Stanford before February 2nd, 2009? 13 MR. SNYDER: And objection. When you say 14 "involved with Stanford," what do you mean by that? 15 I mean, an investor? Are you talking about an 16 employee? What are you talking about? 17 A. And from where? 18 Q. (BY MS. BISHOP) Did you ever speak to any 19 other brokers affiliated with Stanford before February 20 2009? 21 A. Only this Stanford funds in Mexico and with 22 this employee that is only just there like customer 23 service, you know, trying to find out what's going on, 24 I mean, to the people. But nobody related to finances. 25 Q. And that was in February 2009?</p>	<p style="text-align: right;">96</p> <p>1 if Michoacan Trust reported it in Mexico. But you're 2 asking him personally is the way I'm understanding your 3 question. 4 Q. (BY MS. BISHOP) Did the Michoacan Trust file 5 any forms with the government of Mexico? 6 A. No. 7 Q. Did the Michoacan Trust ever file tax forms 8 with any government entity? 9 A. No. 10 Q. Did you ever individually report any income 11 that came from the trust? 12 MR. SNYDER: Objection, form. 13 A. When you — when I was receiving my salary in 14 Mexico religiously, I will have to pay the taxes 15 because the company doesn't give you the exact amount. 16 If I'm making a hundred pesos, they're not going to 17 give me 100 pesos, they're going to give me just the 18 net amount, because the other amount goes straight to 19 the taxes. So once I receive that money, that money 20 belongs to me. That is after taxes. 21 Q. (BY MS. BISHOP) So did you report income from 22 the Michoacan Trust as part of your personal taxes? 23 MR. SNYDER: Objection, form. Assumes 24 facts not in evidence. 25 A. But I didn't receive any profit. I lost.</p>
<p style="text-align: right;">95</p> <p>1 A. Yes. 2 Q. And do you recall what that person's name was? 3 A. No. 4 Q. Did you ever meet any other Stanford employees 5 prior to February 2009? 6 A. No. 7 Q. And did you ever travel to the United States 8 in connection with your Stanford CD investments? 9 A. No. 10 Q. Did forming a trust have any reporting 11 obligations in Mexico? 12 MR. SNYDER: Objection, form. 13 A. In this case an entity was not created. We 14 just named a name. 15 Q. (BY MS. BISHOP) So how did you report your 16 investment obligation — or your investment in Stanford 17 CDs on your taxes? 18 A. I will have to report it if I have had a 19 profit, but I had a loss. 20 Q. Did you ever report your investments prior to 21 the collapse of the Stanford entities? 22 MR. SNYDER: Objection, form. 23 A. No. 24 MR. SNYDER: This gentleman did not have 25 the investment in his personal name. You can ask him</p>	<p style="text-align: right;">97</p> <p>1 Q. (BY MS. BISHOP) So did you ever report the 2 interest that the Michoacan Trust earned during the 3 time period of your investments? 4 MR. SNYDER: Objection, form. 5 A. Well, you have a profit when you obtain 6 something, but I never got anything. It was just in 7 paper. 8 MS. BISHOP: I think now is a good time 9 for a lunch break if you agree. 10 MR. SNYDER: No, I think we keep going. 11 MS. BISHOP: Okay. 12 MR. SNYDER: Take your lunch break at 13 12:30 or 1:00. How much longer do you have? We can 14 take a short break if you need to take a break short. 15 MR. VAIL: Let's take a short break. I 16 need to do a quick call. 17 MR. SNYDER: Okay. 18 THE VIDEOGRAPHER: We're off the record 19 at 12:03. 20 (Recess taken.) 21 THE VIDEOGRAPHER: We're on the record at 22 12:05. 23 MS. BISHOP: Let the record reflect I'm 24 handing the witness what's been marked Defendants' 25 Exhibit 15.</p>

25 (Pages 94 to 97)

DepoTexas, Inc.

000089

The undersigned requests **STANFORD TRUST COMPANY LIMITED** of St. John's, Antigua and its designated co-trustees (The Trustees), to act as Trustees for account of the following:

El firmante solicita a **STANFORD TRUST COMPANY LIMITED** de St. John's, Antigua, y a sus co-fideliatarios designados (Los Fideliatarios), que actúen como Fideliatarios para cuenta de lo siguiente:

I. Settlor/Primary Beneficiary(ies)/Fideliatario/Beneficiario(s) Principal(es)

(INCLUDE A CLEAR PHOTOCOPY OF PASSPORT OR OTHER PHOTO ID FOR EACH)

(INCLUYA UNA FOTOCOPIA CLARA DEL PASAPORTE U OTRA IDENTIFICACIÓN CON FOTOGRAFÍA DE CADA UNO DE ELLOS)

1. Last Name/Apellido/Paterno SALGADO ASUILAR First Name/Nombre JORGE

Legal Address (not a P.O. Box)/Dirección Legal (no Apartado Postal) SAN ANDRES 89 COL. CAMPESTRE CHURUBUSCO

City/Ciudad MEXICO D. F. 04200 Country/País MEXICO Passport #/No. de Pasaporte 00330039399

2. Last Name/Apellido/Paterno SALGADO SORIA First Name/Nombre MARGARITA G.

Legal Address (not a P.O. Box)/Dirección Legal (no Apartado Postal) SAN ANDRES 89 COL. CAMPESTRE CHURUBUSCO

City/Ciudad MEXICO D.F. 04200 Country/País MEXICO Passport #/No. de Pasaporte [REDACTED]

3. Last Name/Apellido/Paterno _____ First Name/Nombre _____

Legal Address (not a P.O. Box)/Dirección Legal (no Apartado Postal) _____

City/Ciudad _____ Country/País _____ Passport #/No. de Pasaporte _____

II. Ultimate Beneficiary(ies)/Beneficiario(s) Final(es)

(INCLUDE A CLEAR PHOTOCOPY OF PASSPORT OR OTHER PHOTO ID FOR EACH)

(INCLUYA UNA FOTOCOPIA CLARA DEL PASAPORTE U OTRA IDENTIFICACIÓN CON FOTOGRAFÍA DE CADA UNO DE ELLOS)

1. Last Name/Apellido/Paterno SORIA LICEA First Name/Nombre EMILIA

Passport #/No. de Pasaporte [REDACTED] (Country/País MEXICO) Relationship/Relación CONYUGE

2. Last Name/Apellido/Paterno _____ First Name/Nombre _____

Passport #/No. de Pasaporte _____ (Country/País _____) Relationship/Relación _____

3. Last Name/Apellido/Paterno _____ First Name/Nombre _____

Passport #/No. de Pasaporte _____ (Country/País _____) Relationship/Relación _____

4. Last Name/Apellido/Paterno _____ First Name/Nombre _____

Passport #/No. de Pasaporte _____ (Country/País _____) Relationship/Relación _____

III. Name of the Trust/Nombre del Fideliatario: NICHOLSON TRUST

IV. Instructions for Correspondence/Instrucciones para la Correspondencia (check one/indicar uno):

☐ Monthly/Mensual ☐ Quarterly/Trimestral ☐ Semi-Annual/Semi-anual

☐ Except in case of special circumstances left to the Trustee's discretion and to be reported in case of circumstances special and to be reported by the Fideliatario, except in

Name/Nombre _____

Address/Dirección _____

☒ Hold at Stanford Trust Company, Antigua (Not to be distributed or withdrawn at once or year)
Retener en Stanford Trust Company, Antigua (No a distribuirse o retirarse de una vez o año)

V. Investment Instructions/Instrucciones de Inversión

Investment/Inversión	Type of Asset/Tipo de Activo	Original Amount/Importe del Original	Currency/Tipo de Moneda	Term/Plazo
	<u>FlexCD</u>	<u>100,000.00</u>	<u>DOLARES</u>	<u>01 AÑO</u>

P1304

000090

VI. Other Requests/Otras Solicitudes

I, Undersigned Trustee, do hereby certify and management fees have not been received. "Undersigned"
 Asesor al Fideicomitante del cual se deriva. FLEXCO La honoraria de asesoria y administracion.

- (None) Please specify which bank accounts if more than one.
 (None) Por favor indique especificar la cuentas bancarias si es más de una.

C. Enclosed is my check in the amount of US\$175 payable to Standard Trust Company. Please include any future management fees.
 Adjunto mi cheque por la cantidad de US\$175 pagadero a Standard Trust Company. Por favor incluir cualquier honorario de administración futuro.

Includ of all Settlements/Incluye de todos los Fideicomitantes:

(1) SAJ (2) SSM (3) _____

Included by/Incluido por: _____ Title/Título _____

Settlor's Professional Advisor's if any/Asesor Profesional del Fideicomitante si lo hay: _____

Single Purpose Trust Agreement

This SINGLE PURPOSE TRUST AGREEMENT is made BETWEEN THE SETTLOR(S)

_____ (of _____)
 _____ (of _____)
 _____ (of _____)
 Hereinafter called "the Primary Beneficiary(ies)" of the one part

AND STANFORD TRUST COMPANY LIMITED of St. John, Antigua and its designated co-trustees ALFRED, CORDEIRO, CALINDO & LEE TRUST (BV) LIMITED of London, British Virgin Islands (hereinafter collectively called "the Trustees") of the other part.

WHEREAS The Primary Beneficiary has transferred or caused to be transferred to the Trustees the sum of \$ _____

_____ to be held upon the terms and conditions and upon the terms of this Agreement

IT IS HEREBY AGREED as follows

1. The Fund. In this Agreement the expression "Fund" shall mean the property from time to time held by or to the order of the Trustees pursuant to this Agreement together with any additions or accretion thereto, the proceeds thereof or such part or parts thereof as shall for the time being remain undistributed.

2. Trust. Subject to the exercise by the Primary Beneficiary of any power reserved to him by the Standard Provisions referred to in Clause 3 hereof, the Trustees shall hold the income of the Fund UPON TRUST for the Primary Beneficiary during his lifetime and after his death shall hold the Fund and its income UPON TRUST for such of the Ultimate Beneficiaries named or described in the Application to this Agreement as shall then be in existence in equal shares (if more than one) or as otherwise stipulated in the Application. The trust period shall commence on the date of execution of this Agreement and end as such date as the Trustees shall by instrument in writing specify (not being a date earlier than the date of execution of such instrument), but in no event so as to exceed a period of 100 years following the date of execution of this Agreement.

3. Standard Provisions. The contents of the documents issued by the Trustees and entitled "Standard Provisions Applicable to Single Purpose Trust Agreements" as amended by the Trustees from time to time shall apply to this Agreement as though expressly incorporated herein. The Primary Beneficiary hereby acknowledges that he has received, read and understood a copy of the Standard Provisions ("the Provisions") and now expressly declares that the Provisions (which include a power reserved to the Trustees to modify them from time to time) shall at all times govern the implementation of this Agreement.

4. Assignments. The rights and benefits conferred upon the Primary Beneficiary shall not be capable of assignment without the prior written consent of the Trustees and the Trustees shall not recognize or be bound by any such assignment to which they shall not have consented and shall only be required to recognize the Primary Beneficiary as entitled to the rights of the Primary Beneficiary as set forth herein. Subject to the foregoing this Agreement shall bind and enure to the benefit of the heirs, executors, and assigns of the Primary Beneficiary and the Trustees as the case may be.

5. Proper Law and Place of Administration. This trust is established under the Law of the British Virgin Islands, and shall be deemed for all purposes to be properly administered in the British Virgin Islands.

P1305

000091

BE WITNESSES WHEREOF the parties hereto have duly executed this Trust Agreement under their respective seals on dates set out above.
 EN TESTIGO DE LO CUAL los partes suscritas han ejecutado este Contrato bajo sus propios sellos y en las fechas señaladas

SIGNED, SEALED and DELIVERED by/FIRMADO, ACORDADO y ENTREGADO por

JORGE SALGADO AGUILAR
 Full Name of Signer/Nombre Completo del Firmante

[Signature] MARZO 26, 2001
 Signature of Signer/Firma del Firmante Date/Fecha

MARGARITA G. SALGADO SORTA
 Full Name of Signer/Nombre Completo del Firmante

[Signature] MARZO 26, 2001
 Signature of Signer/Firma del Firmante Date/Fecha

Full Name of Signer/Nombre Completo del Firmante

Signature of Signer/Firma del Firmante Date/Fecha

In the presence of/En la presencia de

Full Name of Witness/Nombre Completo del Testigo

Signature of Witness/Firma del Testigo Date/Fecha

SIGNED, SEALED and DELIVERED by

SIGNED, SEALED and DELIVERED by

FIRMADO, ACORDADO y ENTREGADO por:
 Stanford Trust Company, Ltd.

FIRMADO, ACORDADO y ENTREGADO por:
 Allianz, Cantara, Orlinda & Lee Trust (SNT) Limited

In the presence of/En la presencia de

In the presence of/En la presencia de

Witness/Testigo Date/Fecha

Witness/Testigo Date/Fecha


STANFORD TRUST COMPANY LTD.
 A MEMBER OF THE STANFORD FINANCIAL GROUP

100 Airport Blvd., P.O. Box 315
 St. John's, Antigua, West Indies
 Tel (268) 480-5730
 Fax (268) 480-5734

REPRESENTATIVE OFFICE
 31 West, Pinarillo (107) 117-1133

P1306

000092